
A BILL FOR AN ACT

RELATING TO TRUST FUND LIABILITY FOR AMOUNTS PASSED ON AS TAX.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 231, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§231- Certain amounts held in trust; liability for
5 certain amounts. For all taxes set forth in title 14, where the
6 amount is passed on as the tax owed by the taxpayer for the
7 transaction and is separately stated or accounted for in a
8 receipt, contract, invoice, billing, or other evidence of the
9 business activity, the amount shall be held in trust for the
10 benefit of the State and be remitted to the State in the manner
11 and at the time required by applicable provisions of title 14.
12 Any taxpayer subject to this section shall remit to the State an
13 amount no less than the amount of tax passed on as described
14 above.

15 A taxpayer is conclusively presumed to be liable for any
16 amounts collected as a recovery of that taxpayer's liability as
17 described in this section; provided that the liability shall be
18 reduced by any amount collected as a recovery of the taxpayer's



1 liability that the taxpayer sufficiently proves to the
2 department has been returned to the source from which it was
3 collected. In addition to these tax amounts, the taxpayer shall
4 also be liable for any applicable penalties and interest that
5 may be assessed as provided in section 231-39."

6 SECTION 2. New statutory material is underscored.

7 SECTION 3. This Act shall take effect upon its approval.



Report Title:

Taxes; Trust Fund Liability for Taxes Passed On

Description:

Creates trust fund liability for any title 14, Hawaii Revised Statutes, tax that is passed on, and creates a conclusive presumption of, liability for any title 14 tax amounts passed on. (SD1)

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