

JAN 17 2013

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# A BILL FOR AN ACT

RELATING TO TAX RELIEF.

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

1           SECTION 1. Chapter 235, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§235-       Wagering winnings; waiver. (a) Beginning on  
5 January 1, 2014, upon payment of a \$            fee, an individual  
6 taxpayer may acquire from the department of taxation a written  
7 waiver that exempts the taxpayer from reporting as taxable  
8 income all wagering or gambling winnings that were acquired by  
9 the taxpayer legally outside of the State, that would have been  
10 otherwise reportable under this chapter, and that were accrued  
11 during the period of the waiver; provided that:

12           (1) No waiver to exempt taxpayers under this section shall  
13           be issued until the department of taxation has adopted  
14           rules pursuant to subsection (d);

15           (2) The waiver shall be valid for a specific consecutive  
16           five-day period during the taxable year for which the  
17           waiver applies;

18           (3) Waivers for multiple five-day periods may be acquired;



- 1        (4) The \$                    fee shall apply to each waiver;
- 2        (5) The waiver shall be acquired by the taxpayer at least
- 3                    twenty-four hours before the commencement of the
- 4                    period during which the waiver is effective; and
- 5        (6) The waiver shall apply to an individual taxpayer,
- 6                    regardless of whether the taxpayer itemizes tax
- 7                    deductions.

8        (b) A waiver shall not be transferrable and shall not be  
 9 combined with any other waiver acquired by any other taxpayer.

10       (c) Waivers shall be acquired and paid for by credit card  
 11 on the department of taxation website or on other secure  
 12 internet-based system established by the department.

13       (d) The department of taxation shall adopt rules pursuant  
 14 to chapter 91 to effectuate this section; provided that the  
 15 rules shall take effect no later than January 1, 2014."

16       SECTION 2. New statutory material is underscored.

17       SECTION 3. This Act shall take effect upon its approval  
 18 and shall apply to taxable years beginning after December 31,  
 19 2013.


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INTRODUCED BY: Clarence K. Fisher

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SB LRB 13-0287.doc



# S.B. NO. 37

**Report Title:**

Wagering Winnings; Tax Exemption; Waiver Program

**Description:**

Establishes a waiver program to exempt from income taxation gambling winnings legally acquired outside of the State during a consecutive 5-day period. Effective 01/01/14.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

