

JAN 17 2020

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 part III to be appropriately
3 designated and to read as follows:

4 "§235- Wagering winnings; waiver. (a) Beginning on
5 January 1, 2021, 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 to which the
17 waiver applies;



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

2 (4) The \$ fee shall apply to each waiver;

3 (5) The waiver shall be acquired by the taxpayer at least
4 twenty-four hours before the commencement of the
5 period during which the waiver is effective; and

6 (6) The waiver shall apply to an individual taxpayer,
7 regardless of whether the taxpayer itemizes tax
8 deductions.

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

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

14 (d) The department of taxation shall adopt rules pursuant
15 to chapter 91 to effectuate this section; provided that the
16 rules shall take effect no later than January 1, 2021."

17 SECTION 2. New statutory material is underscored.

18 SECTION 3. This Act, upon its approval, shall apply to
19 taxable years beginning after December 31, 2020.
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INTRODUCED BY: *Charles K. Michien*

W.C. Fisher

[Signature]

[Signature]

Dan Antley



S.B. NO. 2511

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Report Title:

Wager Winnings; Tax Exemption; Waiver Program

Description:

Establishes a waiver program to exempt from income taxation gambling winnings legally acquired outside the State during a consecutive 5-day period, beginning 01/01/2021.

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

