

STAND. COM. REP. NO.

571

Honolulu, Hawaii

FEB 16, 2023

RE: H.B. No. 1471
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Labor & Government Operations, to which was referred H.B. No. 1471 entitled:

"A BILL FOR AN ACT RELATING TO TELEWORK,"

begs leave to report as follows:

The purpose of this measure is to, for taxable years beginning after December 31, 2022:

- (1) Clarify that there is a presumption of a nexus for certain nonresident employees who telework; and
- (2) Amend the income tax law to apply to the total income of certain nonresident employees who telework.

Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the coronavirus disease 2019 pandemic had a significant impact on the way people work. Many individuals were forced to work remotely, which provided an opportunity for some people to relocate to another state while remaining employed as a nonresident. This measure clarifies a presumption of a nexus for certain nonresident employees who telework outside of the State.

2023-1706 HB1471 HD1 HSCR HMSO



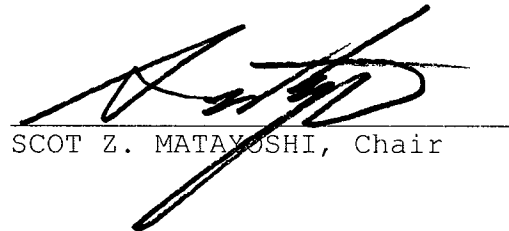
Your Committee has amended this measure by:

- (1) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider the implications of this measure, as its fiscal impact may be negligible.

As affirmed by the record of votes of the members of your Committee on Labor & Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1471, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1471, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Government
Operations,



SCOT Z. MATAYOSHI, Chair



