

**ACT 12**

H.B. NO. 3417

A Bill for an Act Relating to Certain Revocable Trusts.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to amend the general excise tax law to clarify the law to conform with the state and federal income tax laws on the issue of the registration and filing requirements for certain revocable trusts. This Act clarifies that certain revocable trusts are not subject to licensing or filing requirements or tax liability under chapter 237, Hawaii Revised Statutes, separate and apart from the grantors of the trusts. In the case of any such trust, the individual or individuals, and not the trust, is required to file the tax returns and pay any general excise taxes due.

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SECTION 2. Chapter 237, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§237- No separate licensing, filing, or liability for certain revocable trusts.** In the case of any trust that, for state and federal income tax reporting purposes:

- (1) Has no registration or filing requirements separate and apart from its grantor or grantors;
- (2) Is subject to the requirement that all items of income, deduction, and credit are to be reported by the individual grantor or grantors; and
- (3) Is revocable by the grantor or grantors;

no licensing, registration, or filing requirements under this chapter shall apply; provided that the individual grantor or grantors must be licensed under this chapter and pay the appropriate general excise tax on trust income, if the trust income is from engaging in business.”

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect on July 1, 1994.

(Approved April 12, 1994.)

### Note

1. Edited pursuant to HRS §23G-16.5.