

ACT 221

S.B. NO. 495

A Bill for an Act Relating to Taxation.

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

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

“§235- Persons lacking physical presence in the State; nexus presumptions. A person that lacks physical presence in the State is presumed to be systematically and regularly engaging in business in the State and taxable under this chapter if, during the current or preceding calendar year:

- (1) The person engages in two hundred or more business transactions with persons within the State; or
- (2) The sum of the value of the person’s gross income attributable to sources in this State equals or exceeds \$100,000 or for a person that does business within and without the State the numerator of the person’s sales factor for the State equals or exceeds \$100,000.”

SECTION 2. New statutory material is underscored.¹

SECTION 3. This Act, upon its approval, shall apply to taxable years beginning after December 31, 2019.

(Approved July 2, 2019.)

Note

1. Edited pursuant to HRS §23G-16.5.