

Income/Franchise:

Hawaii Department of Taxation Addresses Implementation of New Elective Pass-Through Entity-Level Tax

Tax Information Release No. 2023-03, Haw. Dept. of Tax. (rev. 10/31/23). Replacing earlier guidance addressing the same [see *Tax Information Release No. 2023-01*, Haw. Dept. of Tax. (7/21/23) and *State Tax Matters*, Issue 2023-30, for details on the initial guidance], the Hawaii Department of Taxation issued updated overriding guidance [see *State Tax Matters*, Issue 2023-44, for details on the original overriding guidance] containing notice of “proposed temporary administrative rules” reflecting new law that permits qualifying pass-through entities to make an annual election to pay an entity level state tax (PTET) applicable to taxable years beginning after December 31, 2022 [see S.B. 1437 (2023) and previously issued Multistate Tax Alert for more details on this new PTET]. Among the topics addressed is making the election, underlying income tax credit eligibility and allowance, filing and calculating the new tax, and making estimated payments. Please contact us with any questions.

URL: https://files.hawaii.gov/tax/legal/tir/tir23-03_amended.pdf

URL: <https://files.hawaii.gov/tax/legal/tir/tir23-01.pdf>

URL: https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230728_1.html

URL: https://dhub.deloitte.com/Newsletters/Tax/2023/STM/231103_1.html

URL: https://www.capitol.hawaii.gov/session/measure_indiv.aspx?billtype=SB&billnumber=1437&year=2023

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-hawaii-enacts-pass-through-entity-tax-election.pdf>

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