

## Income/Franchise:

### Hawaii Department of Taxation Adopts Temporary Rules Implementing Pass-Through Entity-Level Tax

*New Temporary Administrative Rules 18-235-200-01 through 18-235-200-09*, Haw. Dept. of Tax. (eff. 2/16/24). The Hawaii Department of Taxation adopted new temporary administrative rules, some of which reflect state law allowing 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 PTET]. Among the topics addressed in the rules are making the election, underlying income tax credit eligibility and allowance, filing and calculating the new tax, and making estimated payments. The temporary rules took effect on February 16, 2024, and they are scheduled to expire on August 16, 2025. Please contact us with any questions.

**URL:** [https://files.hawaii.gov/tax/legal/har\\_temp/Pass\\_Through\\_Entity\\_temporary\\_STANDARD\\_eff\\_20240216.pdf](https://files.hawaii.gov/tax/legal/har_temp/Pass_Through_Entity_temporary_STANDARD_eff_20240216.pdf)

**URL:** [https://www.capitol.hawaii.gov/session/measure\\_indiv.aspx?billtype=SB&billnumber=1437&year=2023](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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