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January 21, 2025

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2025-01

RE: Temporary Administrative Rules Related to Pass-Through Entity (PTE) Taxation and Third-Party Rent Collectors

Pursuant to section 231-10.7, Hawaii Revised Statute (HRS), the Department of Taxation (Department) promulgated Temporary Administrative Rules for sections 18-235-201-01 through 18-235-201-09, 18-237-200-01 through 18-237-200-25, and 18-237D-200-01 through 18-237D-200-25 ("Temporary Rules"). Temporary Administrative Rules sections 18-235-200-01 through 18-235-200-09 relating to PTE taxation have been repealed. These changes to the Temporary Rules are effective January 2, 2025, and will expire on July 2, 2026.

The Temporary Rules implement and administer Hawaii's PTE tax and credit amended by Act 50, Session Laws of Hawaii (SLH) 2024. The Temporary Rules also implement and administer changes to Hawaii's laws on Third-Party Rent Collectors pursuant to Act 76, SLH 2024. The Department will be issuing these Temporary Rules as proposed rules for formal Hawai‘i Administrative Rules adoption, subject to the procedural requirements of chapters 91 and 201M, HRS, to include conducting a public hearing and providing the opportunity for public input.

A copy of the Temporary Rules is attached to this announcement and can also be viewed on the Department's website at https://tax.hawaii.gov/legal/taxlawandrules/. Forms and instructions are available on the Department's website at https://tax.hawaii.gov/forms/.

If you have any questions about this Tax Announcement or the Department's implementation of Act 50, SLH 2024, or Act 76, SLH 2024, please contact the Rules Office at 808-587-1530, or via email at Tax.Rules.Office@hawaii.gov.

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