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MESSAGE FROM THE TAX PRACTITIONER PRIORITY OFFICE

Re: Message No. 2018-02 – Department posts new Tax Information Release and Tax Announcements relating to temporary, new, and amended administrative rules

The Hawaii Department of Taxation alerts you that it has recently released the following Tax Information Release and Tax Announcements. These temporary, new and amended administrative rules may be of interest and importance to you and your clients.

- [Tax Information Release No. 2018-04](#)
Guidance Regarding the Motion Picture, Digital Media, and Film Production Income Tax Credit;
Temporary Hawaii Administrative Rules §§ 18-235-17-01 to 18-235-17-20; Act 143, Session Laws of Hawaii 2017

The Department has promulgated temporary administrative rules sections 18-235-17-01 to 18-235-17-20, relating to the motion picture, digital media, and film production income tax credit (film credit) under section 235-17, Hawaii Revised Statutes. These temporary administrative rules were effective on October 20, 2016 and expire on April 20, 2018.

- [Tax Announcement No. 2018-01](#)
Adoption of Amended Hawaii Administrative Rules Section 18-231-3-14.17, Relating to Revocation of Tax Licenses Due to Abandonment

This amended rule authorizes the Department to revoke a tax license because of abandonment by publishing notice of intent to revoke the license for a period of at least 45 days on the Department's website.

- [Tax Announcement No. 2018-02](#)
Adoption of New Hawaii Administrative Rules Section 18-231-3-14.26, Relating to Registration of Representatives

This new rule authorizes the Department to require persons who represent taxpayers in any capacity before the Department to register in a manner to be prescribed by the Department.

- [Tax Announcement No. 2018-03](#)
Adoption of Amended Hawaii Administrative Rules Section 18-231-9.9-03,
Relating to the Electronic Funds Transfer Program

This amended rule authorizes the Department to require enrollees in the electronic funds transfer program to pay all returns electronically, rather than merely period returns.

- [Tax Announcement No. 2018-04](#)
Adoption of Amended Hawaii Administrative Rules Sections 18-237-8.6-01 through 18-237-8.6-10,
Relating to County Surcharge

The adopted rules amend the rules for allocating the country surcharge among state taxation districts.

- [Tax Announcement No. 2018-05](#)
Adoption of New Hawaii Administrative Rules Sections 18-237-29.53-01 through 18-237-29.53-13,
Relating to Exported Services

The adopted rules clarify how to determine whether gross income derived from services or contracting is exempt from the general excise tax as exported services or contracting.

All [tax information releases](#) and [tax announcements](#) can be found on the Department's website at <http://tax.hawaii.gov>. All administrative rules, including temporary rules are posted online at <http://tax.hawaii.gov/legal/taxlawandrules>.