

Honorable Earl W. Fase
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That a writer is engaged in "business" and taxable upon the gross income therefrom is clear from these definitions.

The activities need not be regular or continuous in order for the tax to apply. See Sollitt and Sons Construction Co. v. Commonwealth, 172 S.E. 290, Va. 1934; Laing v. Fox, 175 S.E. 354, W. Va. 1934; Finance Factors, Limited, Tax Appeal No. 678, Decision of November 21, 1956.

The question whether the taxpayer is "regularly engaged" in business as a writer, which necessarily is applicable under the federal Self-Employment Contributions Act of 1954, considering the purposes of that act, does not apply under this territorial act. Compare Rev. Rul. 55-385, CB 1955-1,100.

However, it should be noted that the tax would not apply to an author merely by reason of ownership of a copyright from which royalties were received from out-of-the-Territory publishers. In other words, an author owning such a copyright and moving to Hawaii would not thereby become liable to tax upon the royalties. The activity of the writer as such, engaged in within the Territory, is the focal point for taxation by the Territory.

Very truly yours,



RHODA V. LEWIS
Deputy Attorney General