

DEPARTMENT OF TAXATION

Amendments to Chapter 18-235,
Hawaii Administrative Rules

Dated: September 18, 2020

1. Chapter 18-235, Hawaii Administrative Rules, is amended by adding a new section to read as follows:

"§18-235-3-01 Distribution of credit for partnerships, S corporations, estates, and trusts.
Whenever chapter 235, HRS, does not specify how a credit should be distributed or provides that distribution and share of a credit shall be determined by rule, distribution shall be made according to the ratio upon which the partners, S corporation shareholders, or beneficiaries of an estate or trust divide the general profits or losses of the entity; provided that a distribution pursuant to section 704 of the Internal Revenue Code may be made in the case of partnerships." [Eff 9/18/20] (Auth: HRS §§231-3(9), 235-55.91, 235-110.8, 235-118) (Imp: HRS §§235-2.45, 235-16.5, 235-17, 235-55.91, 235-110.2, 235-110.7, 235-110.8, 235-110.94)

2. New material is underscored.

3. These amendments to chapter 235, Hawaii Administrative Rules, shall take effect ten days after filing with the Office of the Lieutenant Governor.

I certify that the foregoing are copies of the rules, drafted in Ramseyer format pursuant to the requirements of section 91-4.1, Hawaii Revised Statutes, and filed with the Office of the Lieutenant Governor.

Director
Department of Taxation

APPROVED AS TO FORM:

Deputy Attorney General