

State of Hawaii —Department of Taxation
Supplemental Insert to Booklet A (Rev. 2001), **Employer’s Tax Guide**

Issued November 2002

In the interest of cost savings, this insert is provided to amend only those portions of Booklet A that required revision. There are no changes in the individual income tax rates and brackets.

Page 5, When to File, fifth, sixth, and seventh items shall be replaced by:

By the **10th day** of each calendar month:

File Form HW-14 and pay the tax by electronic funds transfer for the preceding monthly period if your annual total withholding liability exceeds \$100,000. See section 15, “Filing the Withholding Tax Return”.

By the **15th day** of each calendar month (unless you are permitted to file returns on a quarterly basis):

File Form HW-14 along with the appropriate tax payment voucher (Form VP-1W if you are using a preprinted form from your withholding booklet, or Form VP-1 if you are not using a preprinted form) and remittance for the preceding monthly period. See section 15, “Filing the Withholding Tax Return”.

By the **15th day** of April, July, October, and January (if you are permitted to file returns on a quarterly basis):

File Form HW-14 along with the appropriate tax payment voucher (Form VP-1W if you are using a preprinted form from your withholding booklet, or Form VP-1 if you are not using a preprinted form) and remittance for the preceding quarterly period. See section 15, “Filing the Withholding Tax Return”.

Page 5, Electronic Funds Transfer (EFT), last sentence shall be replaced by:

For more information on paying taxes by EFT, contact your district tax office for a copy of Tax Information Release Nos. 95-6 and 99-1, and Department of Taxation Announcement No. 2002-4.

Page 6, section 4, subsection (e) shall be replaced by:

(e) Form HW-14 — File the Withholding Tax Return, Form HW-14 along with the appropriate tax payment voucher (Form VP-1W if you are using a preprinted form from your withholding booklet, or Form VP-1 if you are not using a preprinted form) and remittance, if any. See section 15.

Page 8, section 9, subsection (a) is replaced by:

- (a) Wages for services performed **in** the State. However, withholding is not required on such wages if all the following conditions are met:
- The employee establishes that the employee is a nonresident in the manner explained in section 12,
 - The employee is performing services in the State for an aggregate of not more than 60

- days during the calendar year,
- The employee is paid for the employee's services in the State from an office outside the State,
 - The employee's regular place of employment (where the employee regularly performs services for the employer) is outside the State, **and**
 - The employer does not reasonably expect the employee to perform services in the State an aggregate of more than 60 days during the calendar year.

If all of the above conditions are met, except for the 60-day requirement, and if the Director of Taxation finds that the withholding requirement is unduly onerous or impracticable of enforcement, the Director may grant permission to an employer for exception from the withholding requirement.

Note that employers and employees who are exempt from the withholding provisions, may not be exempt from the Hawaii Income tax law.

Page 12, section 10, subsection (t), the mailing address is replaced by:

Department of Taxation
Technical Section
P. O. Box 259
Honolulu, Hawaii 96809-0259

Page 14, section 12, second, third, and fourth paragraphs are replaced by:

In order for an employee to make a showing of nonresidence as required by section 9, the employee must furnish you with a statement in the form prescribed by the Department (Form HW-6), signed by the employee under the penalties set forth in section 231-36, HRS. If withholding is not required on an employee's wages under item (a) of Section 9, you must file Form HW-7, Exemption From Withholding on Nonresident Employee's Wages, along with the original Form HW-6 with the taxation district in which you file your HW-14 return. Keep a copy of your employee's Form HW-6 for your records. If withholding is not required on an employee's wages under item (b) of Section 9, you do not have to file Form HW-7 with the Department. Withholding is not required on your employee's wages. Keep your employee's Form HW-6 for your records.

If an employee files a Form HW-6 with you, you should treat the form as effective (employee as having shown that he or she is a nonresident) as of the first payroll period ending (or first payment of wages made without regard to a payroll period) on or after the date that you file Form HW-7 and Form HW-6 with the Department if withholding is not required on an employee's wages under item (a) of Section 9, or on or after the date that an employee files a Form HW-6 with you if withholding is not required on an employee's wages under item (b) of Section 9.

You should no longer treat Form HW-6 as effective if you are notified by the Department that the employee's residence status is being investigated. A copy of this notice will be sent by the Department to the employee. Both you and the employee will be notified of the Department's decision. If the Department notifies you after the investigation that the employee is a nonresident, you should thereafter treat the Form HW-6 as effective.

Page 17, How to File, last paragraph, shall be replaced by:

Check your return to make sure it is correct. Sign and date your return. Attach the appropriate tax payment voucher (Form VP-1W if you are using a preprinted form from your withholding booklet, or Form VP-1 if you are not using a preprinted form) and your check or money order for full payment of the taxes withheld. The check or money order must be payable in U. S. dollars and made payable to the "Hawaii State Tax Collector". Write "HW", the filing period, and your Hawaii withholding identification number on your check or money order. **DO NOT SEND CASH.**

Page 18, Electronic Filing (e-file), paragraph shall be replaced by:

Periodic withholding tax returns (Form HW-14) may be electronically filed (e-filed) through the State's Internet portal. For more information, go to www.ehawaii.gov.org/efile.

Page 19, How to File, first paragraph shall be replaced by:

Check your return to make sure your name, identification number and all figures are correct. Sign and date both Tax Office Copies 1 and 2 of Form HW-3. Attach Copy A of Forms HW-2 issued for the calendar year. If remittance is required, attach the appropriate tax payment voucher (Form VP-1W if you are using a preprinted form from your withholding booklet, or Form VP-1 if you are not using a preprinted form) and your check or money order payable in U. S. dollars. Make your check or money order payable to the "Hawaii State Tax Collector". Write "HW", the filing period, and your Hawaii withholding identification number on your check or money order. **DO NOT SEND CASH.**

Page 23, section 23, first paragraph shall be replaced by:

The forms which are designed and are to be used in carrying out the provisions of the withholding law, with the exception of the State Basic Business Application and the tax payment vouchers, bear the prefix "GEW-TA-RV" or "HW" as follows:

Page 23, section 23, add the following to the list of tax forms:

Form BB-1X State of Hawaii Basic Business Amended Application

Form GEW-TA-RV-5 General Excise/Use, Employer's Withholding, Transient

Accommodations and Rental Motor Vehicle & Tour Vehicle Surcharge Application Changes

Form HW-7 Exemption From Withholding on Nonresident Employee's Wages

Form VP-1 Tax Payment Voucher

Form VP-1W Tax Payment Voucher - Withholding

Page 23, section 23, the title of Form HW-6 shall be changed to:

HW-6 Employee's Statement to Employer Concerning Nonresidence in the State of Hawaii