

## Income/Franchise:

### Hawaii Department of Taxation Explains New REIT Reporting Obligation, Penalties and January 15 Deadline

*Department of Taxation Announcement No. 2021-09*, Haw. Dept. of Tax. (12/23/21). The Hawaii Department of Taxation (Department) issued an announcement (Announcement No. 2021-09) on legislation enacted in 2021 [see H.B. 286 (2021) and *State Tax Matters*, Issue 2021-26, for more details on this new law] that authorizes the Department to require real estate investment trusts (REITs) operating in Hawaii to notify the State of their existence and annually provide specified information, including a copy of their federal income tax returns, to be filed along with their Hawaii income tax returns. Pursuant to this new law, the Department explains that impacted REITs must notify the Department of their existence in Hawaii within fifteen days of beginning operations in the State. For any impacted REIT that was active in Hawaii as of July 1, 2021, the REIT must notify the Department of its activity in Hawaii no later than January 15, 2022 in the manner prescribed in Announcement No. 2021-09. The Department additionally notes that state law imposes a penalty of \$50 per day for any failure to comply with these new information reporting requirements.

**URL:** <https://files.hawaii.gov/tax/news/announce/ann21-09.pdf>

**URL:** [https://www.capitol.hawaii.gov/measure\\_indiv.aspx?billtype=HB&billnumber=286&year=2021](https://www.capitol.hawaii.gov/measure_indiv.aspx?billtype=HB&billnumber=286&year=2021)

**URL:** [https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/STM/210702\\_5.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/STM/210702_5.html)

See recently issued Multistate Tax Alert for more details on these new reporting requirements, and please contact us with any questions.

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-hawaii-issues-guidance-on-reit-notification-requirement.pdf>

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