

This Week in State Tax (TWIST)

July 14, 2025



Hawaii: Nonresident Withholding to Begin in 2025

Effective July 2, 2019, Hawaii Act 232 requires partnerships, estates, and trusts to withhold income tax for nonresident taxpayers based on the taxpayers' distributive share of income attributable to Hawaii for tax years beginning after December 31, 2018. The Department of Taxation (Department) had previously issued [Announcement No. 2019-08](#) informing taxpayers that enforcement of Act 232 was delayed during as it prepared for implementation. Recently, the Department issued superseding guidance in [Announcement No. 2025-02](#) informing taxpayers that it will begin processing nonresident withholding for tax year 2025 and thereafter. Taxpayers must use Hawaii Form N-4P and Schedule NP to report income taxes withheld from a nonresident partner, and Hawaii Form N-4T and Schedule NT for income taxes withheld from a trust or estate. Note, quarterly withholding payments are not required, but payments can be made with the entity's tax return. Optional quarterly withholding payments can be made by filing Hawaii Form N-201V or online at Hawaii Tax Online. For any questions, please reach out to [Julie Quick](#).

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