Exhibit 3

HAWA ADMIN STRAT VE RULES f

TITLE 18

DEPARTMENT OF TAXATIONf

CHAPTER 235
INCOME TAX LAW

Subchapter 1 General Provisions

§18-235-1	(Amended and Renumbered.)
§18-235-1.01	Resident / Nonresident, defined.
§18-235-1.02	Residency, generally.
§18-235-1.03	Establishing residency by domicile.
§18-235-1.04 f	Domicile by birth.
§18-235-1.05	Domicile by choice.
§18-235-1.06	Domicile by operation of law.
§18-235-1.07	Establishing residency by residing in the State.
§18-235-1.08	Residence status, factors considered.
§18-235-1.09	Individual's presence or absence in compliance with military or naval orders, while engaged in aviation or navigation, or while a student.
§18-235-1.10	Aliens.
§18-235-1.11	"Person totally disabled", defined.
§18-235-1.12	"Person totally disabled", certification of.
§18-235-1.13	"Permanent disability", defined.
§18-235-1.14	"Substantial gainful business or occupation", defined.
§18-235-1.15	Permanent total disability; submission of certification.
§18-235-1.16	"Resident estate", defined.
§18-235-1.17	"Resident trust", defined.
§18-235-2.1 to 2.2	(Reserved.)
§18-235-2.3	Conformance to the federal Internal Revenue Code.
§18-235-3	(Reserved.)
§18-235-3-01	Distribution of credit for partnerships, S corporations, estates, and trusts.
§18-235-4	(Amended and Renumbered.)
§18-235-4-01	Income taxes by the State; residents, nonresidents, corporations, estates and trusts.
§18-235-4-02	Residents taxable on entire income.
§18-235-4-03	Nonresidents taxable on Hawaii income.
§18-235-4-04	Change of residence during taxable year.
§18-235-4-05	Corporations; domestic and foreign.
§18-235-4-06	Resident and nonresident estates, trusts, and beneficiaries.
§18-235-4-07	Resident and nonresident partners of a partnership.
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§18-235-5	(Amended and Renumbered.)
§18-235-5-01	Allocation of income of persons not taxable upon their entire income.
§18-235-5-02	Allocation and separate accounting.
§18-235-5-03	Deductions connected with gross income from Hawaii sources.
§18-235-5-04	Allocation of income and deductions among taxpayers.
§18-235-5-05 f	Alternative apportionment.
§18-235-5.5	Individual housing accounts (IHA).

EXHIBIT 1

(2) To determine the amount of tax to be withheld from each payroll period, treat the average wage calculated in paragraph (1) as the amount of wages paid for the payroll period. The amount of taxes to be withheld shall be calculated by using the tables or formula provided by the department, given the length of the payroll period and the average wage paid for the payroll period.

(3) Lastly, from the sum of the taxes computed on the basis of the average wage per payroll period, subtract the sum of the taxes previously withheld or to be withheld from wages, other than supplemental wages, for the payroll periods. The balance, if any, constitutes the amount of the tax to be withheld from the supplemental wages. [Eff 2/16/82; am and ren §18-235-61-05 10/13/94] (Auth: HRS §§231-3(9), 235-61, 235-118) (Imp: HRS §§235-61 to 235-67)

HRS §235-61(c)

§18-235-61-06 Amount of tax to be withheld. (a) To determine the amount of tax to be withheld, the employer shall use either the tables or formula method provided by the department.

If the payroll period is a multiple of one week, other than biweekly, the employer shall determine the amount of tax to be withheld as follows:

(1) Determine the average weekly or biweekly wage for the particular payroll period;

(2) Compute the amount of tax to be withheld, based upon the average wage paid to the employee; and

(3) Multiply the amount of tax to be withheld per payroll period by the number of weeks in the payroll period.

If wages are paid on a quarterly, semiannual, or annual basis, the employer shall compute the amount of tax to be withheld by multiplying the average wage for one month by the number of months in the payroll period.

(b) For the purpose of calculating income tax withholding amounts for the 2025 taxable calendar year, the employer shall use the tables in the appendix entitled "Appendix 1: Income Tax Withholding Tables for tax year 2025" (August 16, 2024) located at the end of chapter 18-235, which is made a part of this section.

(c) For the purpose of calculating income tax withholding amounts for each of the 2026, 2027, 2028, 2029, 2030, and 2031 taxable calendar years, the employer shall use the tables in the appendix entitled "Appendix 2: Income Tax Withholding Tables for Taxable Years Beginning After December 31, 2025" (June 30, 2025) located at the end of chapter 18-235, which is made a part of this section. [Eff 2/16/82; am and ren §18-235-61-06 10/13/94; am 12/6/2024; am 12/5/2025] (Auth: HRS §§231-3(9), 235-61, 235-118) (Imp: HRS §§235-61 to 235-67)

HRS §235-61(g)

§18-235-61-07 Additional withholding by agreement permissible. The employer and employee may agree in writing to withhold an amount greater than, but not less than, the amount required under section 235-61, HRS and this section, and as calculated in the tables or formula method provided by the department. Any additional amount withheld shall be considered tax required to be deducted and withheld under section 235-61, HRS, and this section. [Eff 2/16/82; am and ren §18-235-61-07 10/13/94] (Auth: HRS §§231-3(9), 235-61, 235-118) (Imp: HRS §§235-61 to 235-67)

HRS §235-61

§18-235-61-08 Returns and statements; Forms HW-14, HW-2, and HW-3. (a) Each employer shall complete and furnish the following applicable returns as prescribed by sections 235-61 to 235-63, HRS, and the department, numbered and designated as follows:

HW-14 Withholding Tax Return;
HW-2 Statement of Hawaii Income Tax Withheld and Wages Paid; and
HW-3 Employer's Return and Reconciliation of Hawaii Income Tax Withheld From Wages.

(b) Form HW-14.

(1) In general. Pursuant to sections 235-62 and 235-63, HRS, every employer required to file a return of income tax withheld from wages shall file Form HW-14 or forms prescribed by the department, accompanied by payment of the tax withheld. Unless otherwise provided, the return shall identify the period covered by the return, the total wages paid by the employer in the period (including all wages, even though some wages may be excludable from withholding, such as wages paid to persons who are blind, deaf, or totally disabled), the total amount of taxes withheld in the period, and any other information which the director may require.

Employers that withhold income tax of $1,000 or more a year shall file Form HW-14 on a monthly basis; employers that withhold income tax of less than $1,000 a year may file Form HW-14 on a quarterly basis.

EXHIBIT 2

DEPARTMENT OF TAXATION

Amendments to Chapter 18-235,
Hawaii Administrative Rules

Effective: January 1, 2027

SUMMARY

1. §18-235-61-06 is amended.

2. Appendix 1: Income Tax Withholding Tables for tax year 2025 (August 16, 2024) is repealed.

3. Appendix 2: Income Tax Withholding Tables for Taxable Years Beginning After December 31, 2025 (June 30, 2025) is repealed.

EXHIBIT 2

§18-235-61-06 Amount of tax to be withheld. (a) To determine the amount of tax to be withheld, the employer shall use either the tables or formula method provided by the department.

If the payroll period is a multiple of one week, other than biweekly, the employer shall determine the amount of tax to be withheld as follows:

(1) Determine the average weekly or biweekly wage for the particular payroll period;

(2) Compute the amount of tax to be withheld, based upon the average wage paid to the employee; and

(3) Multiply the amount of tax to be withheld per payroll period by the number of weeks in the payroll period.

If wages are paid on a quarterly, semiannual, or annual basis, the employer shall compute the amount of tax to be withheld by multiplying the average wage for one month by the number of months in the payroll period.

(b) For the purpose of calculating income tax withholding amounts for the 2027 taxable calendar year, the employer shall use the tables in the appendix entitled "Appendix 3: Income Tax Withholding Tables for Tax Year 2027" (August 1, 2026), located at the end of chapter 18-235, which is made a part of this section. [Eff 2/16/82; am and ren §18-235-61-06 10/13/94; am 12/6/24; am 12/5/25; am] (Auth: HRS §§231-3(9), 235-61, 235-118) (Imp: HRS §§235-61 to 235-67)