
A BILL FOR AN ACT

RELATING TO THE GENERAL EXCISE TAX.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that tax compliance by
2 certain persons providing contracting, services, and property to
3 owner-builders is an on-going problem that has not been
4 adequately addressed by the State. This situation has not only
5 fostered a disrespect for the state tax system by contractors
6 and other construction-related professions that pay their fair
7 share of taxes, but has also resulted in millions of dollars in
8 uncollected taxes owed and due to the State.

9 This Act provides a reasonable solution to this problem by
10 requiring owner-builders to file an information return within
11 thirty days after the completion of their project. The return
12 would provide the State with the necessary information to
13 improve tax collection and to level the playing field for all
14 contractors and construction-related professions in the State.

15 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
16 amended by adding a new section to be appropriately designated
17 and to read as follows:



1 "§237- Filing of an information return; owner-builders.

2 (a) Every person who claims an exemption from the tax imposed
3 under section 237-13(3) pursuant to section 237-13(3)(D), or who
4 claims to be an owner-builder under section 444-2(7), shall file
5 an information return on forms prescribed by the department for
6 improvements that are issued building permits with a value of
7 \$ or greater.

8 (b) The information return shall be filed with the
9 department no later than thirty calendar days after the actual
10 completion of the improvements.

11 (c) This section shall not apply to the department of
12 Hawaiian home lands and Hawaii public housing administration."

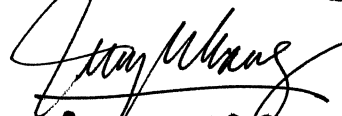
13 SECTION 3. New statutory material is underscored.

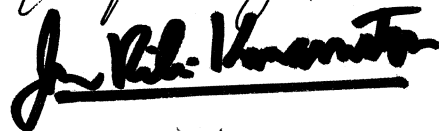
14 SECTION 4. This Act shall take effect on July 1, 2006, and
15 shall apply to improvements contracted for on or after
16 January 1, 2007.

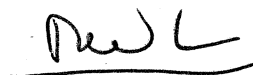
17

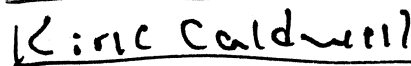
INTRODUCED BY:













HB 2456

Report Title:

Tax; Owner-Builder

Description:

Requires owner-builders to file an information return within 30 days after the completion of their projects to improve tax collections for construction-related improvements.

