

JAN 19 2007

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The legislature finds that beginning January 1,
2 2007, the general excise tax increased by one half of one per
3 cent on Oahu to support a mass transit system. However, many
4 taxpayers are still unfamiliar or confused by the new law and
5 may need more education of the rules for effective compliance.

6 The purpose of this Act is to provide an amnesty period for
7 taxpayers to amend their returns to correct errors they may have
8 made in computing their general excise tax obligations under the
9 new law.

10 SECTION 2. (a) Any other law to the contrary
11 notwithstanding, a taxpayer shall not be subject to penalty for
12 any error in the computation of the taxpayer's general excise
13 tax liability under chapter 237, Hawaii Revised Statutes, if the
14 taxpayer:

15 (1) Exercises due diligence to determine whether the
16 computation of the general excise tax liability is
17 correct;



1 (2) Files an amended return within ninety days of
2 discovering that the general excise tax liability was
3 over-reported or under-reported; and

4 (3) Remits timely payment for any additional general
5 excise tax due.

6 (b) The department of taxation shall:

7 (1) Develop and implement a plan to timely notify a
8 taxpayer of any error in the computation of general
9 excise tax liability; provided that the department of
10 taxation's failure to notify a taxpayer of any error
11 shall not relieve the taxpayer of general excise tax
12 liability or the taxpayer's responsibility under
13 subsection (a); and

14 (2) Adopt procedures necessary for the purpose of this
15 section.

16 SECTION 3. This Act, upon its approval, shall apply to
17 taxable years beginning after December 31, 2006, and shall be
18 repealed on December 31, 2007.

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INTRODUCED BY: Norman Sakamoto
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Report Title:

General Excise Tax; Amended Returns

Description:

Permits a taxpayer to amend a return to correct an error in the computation of general excise tax liability; sunset date.

