

STAND. COM. REP. NO.

366

Honolulu, Hawaii

FEB 15 2007

RE: S.B. No. 1504
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Economic Development and Taxation, to which was referred S.B. No. 1504 entitled:

"A BILL FOR AN ACT RELATING TO ELECTRONIC FILING OF TAX RETURNS,"

begs leave to report as follows:

The purpose of this measure is to authorize the Department of Taxation, by rule adopted pursuant to chapter 91, Hawaii Revised Statutes (HRS), to require the electronic, telephonic, or optical filing of tax returns under certain conditions.

Testimony in support of this measure was received from the Department of Transportation (Department). The Tax Foundation of Hawaii submitted comments.

Your Committee finds that electronic filing would begin with a small subset of taxpayers, such as those submitting fuel tax returns, tobacco tax returns, high technology credit claims, and other applications of special tax credits. In addition, because the Department is required to adopt rules for electronic filing, the public would have ample opportunity to comment, and would be given substantial notice before the requirement is implemented.

Your Committee supports this effort to increase the use of electronic filing by the taxpayer, and to increase the efficiency of the Department as a result. Your Committee believes that one additional way to encourage increased electronic filing is to require that no service fee be charged for electronic filing.

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Your Committee has amended this measure accordingly, by:

- (1) Requiring the Department, by rule adopted pursuant to chapter 91, HRS, to require electronic filing; and
- (2) Providing that no service fee is required.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1504, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Taxation,



CAROL FUKUNAGA, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Economic Development and Taxation
EDT

Bill / Resolution No.:*	Committee Referral:	Date:
<i>SB 1504</i>	<i>EDT, WAM</i>	<i>2/13/07</i>
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312		
<input checked="" type="checkbox"/> Pass, with amendments 2311		
<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
FUKUNAGA, Carol (C)	✓	
ESPERO, Will (VC)	✓	
ENGLISH, J. Kalani		✓
IGE, David Y.	✓	
SLOM, Sam	✓	
TOTAL	<i>4</i>	<i>1</i>
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
<i>Will Espero</i>		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency

*Only one measure per Record of Votes