
A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

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

1 SECTION 1. Section 237-30, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "~~§237-30~~ **Monthly, quarterly, or semiannual** [~~return,~~
4 **estimated payments and computation of tax**[~~, payment~~]; **annual**
5 **return.** (a) Payment of tax by estimated payment. The taxes
6 levied hereunder shall be payable in monthly installments in the
7 form of an estimated payment to be made on the form required by
8 the director on or before the [~~last~~] fifteenth day of the
9 calendar month following the month in which they accrue. The
10 taxpayer shall, on or before the [~~last~~] fifteenth day of the
11 calendar month following the month in which the taxes accrue,
12 make out and sign [~~a return~~] an estimated payment voucher of the
13 installment of tax for which the taxpayer is liable for the
14 preceding month and transmit the same, together with a
15 remittance, in the form required by section 237-31, for the
16 amount of the tax, to the office of the department of taxation
17 in the appropriate district hereinafter designated.

1 (b) Payment of taxes on periodic bases other than monthly;
2 annual reconciliation return for all taxpayers. Notwithstanding
3 subsection (a), the director of taxation, for good cause, may
4 permit a taxpayer to file the taxpayer's [~~return~~] voucher
5 required under this section and make payments thereon:

6 (1) On a quarterly basis during the calendar or fiscal
7 year, the [~~return~~] voucher and payment to be made on
8 or before the [~~last~~] fifteenth day of the calendar
9 month after the close of each quarter, to wit: for
10 calendar year taxpayers, on or before April [~~30~~] 15,
11 July [~~31~~] 15, October [~~31~~] 15, and January [~~31~~] 15
12 or, for fiscal year taxpayers, on or before the [~~last~~]
13 fifteenth day of the fourth month, seventh month, and
14 tenth month following the beginning of the fiscal year
15 and on or before the last day of the month following
16 the close of the fiscal year; provided that the
17 director is satisfied that the grant of the permit
18 will not unduly jeopardize the collection of the taxes
19 due thereon and the taxpayer's total tax liability for
20 the calendar or fiscal year under this chapter will
21 not exceed [~~\$4,000~~] _____; or

1 (2) On a semiannual basis during the calendar or fiscal
2 year, the [~~return~~] voucher and payment to be made on
3 or before the [~~last~~] fifteenth day of the calendar
4 month after the close of each six-month period, to
5 wit: for calendar year taxpayers, on July [~~31~~] 15 and
6 January [~~31~~] 15 or, for fiscal year taxpayers, on or
7 before the [~~last~~] fifteenth day of the seventh month
8 following the beginning of the fiscal year and on or
9 before the [~~last~~] fifteenth day of the month following
10 the close of the fiscal year; provided that the
11 director is satisfied that the grant of the permit
12 will not unduly jeopardize the collection of the taxes
13 due thereon and the taxpayer's total tax liability for
14 the calendar or fiscal year under this chapter will
15 not exceed [~~\$2,000.~~] _____.

16 ~~[The director, for good cause, may permit a taxpayer to~~
17 ~~make monthly payments based on the taxpayer's estimated~~
18 ~~quarterly or semiannual liability, provided the taxpayer files a~~
19 ~~reconciliation return at the end of each quarter or at the end~~
20 ~~of each six-month period during the calendar or fiscal year, as~~
21 ~~provided in this section.]~~ Every taxpayer required to make
22 estimated tax payments by voucher on or before the fifteenth day

1 of the fourth month following the close of the taxpayer's
2 taxable year, shall file a reconciliation return reflecting
3 information required by the director, including the amount of
4 gross receipts or gross income earned for each period for which
5 a periodic estimated payment is required to be made.

6 (c) Revocation of periodic permit. If a taxpayer filing
7 the taxpayer's estimated payment or return [~~on a quarterly or~~
8 ~~semiannual basis,~~] as provided in this section, becomes
9 delinquent in either the filing of the taxpayer's return or the
10 payment of the taxes due thereon, or if the liability of a
11 taxpayer, who possesses a permit to file the taxpayer's [~~return~~]
12 voucher and to make payments on a semiannual basis exceeds
13 [~~\$2,000~~] _____ in general excise taxes during the calendar year
14 or exceeds [~~\$4,000~~] _____ in general excise taxes during the
15 calendar year if making payments on a quarterly basis, or if the
16 director determines that any such quarterly or semiannual filing
17 of [~~return~~] a voucher and payment would unduly jeopardize the
18 proper administration of this chapter, including the assessment
19 or collection of the general excise tax, the director may, at
20 any time, revoke a taxpayer's permit, in which case the taxpayer
21 will then be required to file the taxpayer's [~~return~~] voucher
22 and make payments thereon as herein provided in subsection (a).

1 (d) Rules. The director may adopt [~~and promulgate~~] rules
2 [~~and regulations~~] to carry out the purposes of this section.

3 (e) [~~Section 232-2 does not apply to a monthly return.~~]
4 Penalties. In the case of any underpayment of estimated tax,
5 except as provided by this subsection, there shall be added to
6 the tax for the taxable year an amount determined at the rate of
7 two-thirds of one per cent a month or fraction of a month upon
8 the amount of the underpayment for the period of the
9 underpayment.

10 (1) The amount of the underpayment shall be the excess of:

11 (A) The required installment over; or

12 (B) The amount, if any, of the installment paid on or
13 before the due date for the installment.

14 (2) The period of the underpayment shall run from the due
15 date for the installment to whichever of the following
16 dates is the earlier:

17 (A) The fifteenth day of the fourth month following
18 the close of the taxable year; or

19 (B) With respect to any portion of the underpayment,
20 the date on which the portion is paid. For
21 purposes of this paragraph, a payment of
22 estimated tax on any installment date shall be

1 credited against unpaid required installments in
2 the order in which the installments are required
3 to be paid.

4 (3) For the purposes of this section, the term "tax" means
5 the tax imposed under this chapter.

6 (4) Sections 6654(d), (e) (2), (e) (3), (h), (i), (j), (k),
7 and (l), (with respect to failure by an individual to
8 pay estimated income tax), and 6655(d), (e), (g) (2),
9 (g) (3), (g) (4), and (i) (with respect to failure by a
10 corporation to pay estimated income tax) of the
11 Internal Revenue Code, as of the date set forth in
12 section 235-2.3(a), shall be operative for the
13 purposes of this section and applied where relevant
14 for purposes of the general excise tax; provided that
15 the due dates contained in any of the preceding
16 Internal Revenue Code sections shall be deemed to be
17 the fifteenth day of the applicable month; and
18 provided further that, for purposes of this chapter in
19 applying section 6654(d), the required annual payment
20 shall be the lesser of sixty per cent of the tax shown
21 on the return for the taxable year (or, if no return
22 is filed, sixty per cent of the tax for the taxable

1 year) or one hundred per cent of the tax shown on the
2 return of the individual for the preceding taxable
3 year."

4 SECTION 2. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 3. This Act shall take effect on July 1, 2009.

Report Title:

General Excise Tax; Estimated Payments; Annual Return

Description:

Amends the general excise tax return filing and payment procedures to require periodic estimated payments and one annual return.