

---

---

# 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 Act 355, Session  
2 Laws of Hawaii 1997, authorized the governor to convert the  
3 State of Hawaii payroll payment basis from predicted payroll to  
4 after-the-fact payroll commencing with the June 30, 1998, pay  
5 day in fiscal year 1997-1998, which was delayed to July 1, 1998,  
6 in fiscal year 1998-1999. That "payroll lag" measure delayed  
7 state expenditures to generate a one-time windfall savings of  
8 approximately \$51,500,000.

9           The legislature further finds that advancing the filing and  
10 payment of monthly general excise taxes due, from the last  
11 calendar day of the month following the month in which taxes  
12 accrue to the twentieth day of that month, will generate a one-  
13 time estimated revenue of \$75,000,000 to \$100,000,000 in a way  
14 analogous to the effect of the payroll lag measure, but in  
15 reverse fashion, by advancing receipt of revenues within one  
16 fiscal year.



1           The purpose of this Act is to advance the filing and  
2 payment of monthly general excise taxes due to an earlier date  
3 in the following month to generate a one-time windfall revenue  
4 for the State.

5           SECTION 2. Section 237-30, Hawaii Revised Statutes, is  
6 amended by amending subsection (a) to read as follows:

7           "(a) The taxes levied hereunder shall be payable in  
8 monthly installments on or before the [~~last~~] twentieth day of  
9 the calendar month following the month in which they accrue.  
10 The taxpayer [~~shall~~], on or before the [~~last~~] twentieth day of  
11 the calendar month following the month in which the taxes  
12 accrue, shall make out and sign a return of the installment of  
13 tax for which the taxpayer is liable for the preceding month and  
14 transmit the same, together with a remittance, in the form  
15 required by section 237-31, for the amount of the tax, to the  
16 office of the department of taxation in the appropriate district  
17 hereinafter designated."

18           SECTION 3. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20           SECTION 4. This Act shall take effect on July 1, 2009, and  
21 shall apply to taxes due on June 20, 2009.



**Report Title:**

General Excise Tax; Earlier Monthly Filing; One-Time Fiscal Year  
Windfall

**Description:**

Advances the date of filing of a general excise monthly tax  
return from the last day of the calendar month following the  
month in which the taxes accrue to the 20<sup>th</sup> day of that month to  
generate a one-time windfall in revenue due to earlier  
collection of taxes within the fiscal year (SB1461 HD1)

