
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 231-9.9, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "**§231-9.9** [~~Payment~~] Filing and payment of taxes by
4 **electronic funds transfer.** (a) The director of taxation is
5 authorized to require every person whose tax liability for any
6 one taxable year exceeds \$100,000 and who files a tax return for
7 any tax, including consolidated filers, to remit taxes by one of
8 the means of electronic funds transfer approved by the
9 department; provided that for withholding taxes under section
10 235-62, electronic funds transfers shall apply to annual tax
11 liabilities that exceed \$40,000. Notwithstanding the tax
12 liability threshold of \$100,000 in this subsection, the director
13 of taxation is authorized to require any person who is required
14 to electronically file a federal return and electronically remit
15 any federal taxes to the federal government, to electronically
16 file a state return and electronically remit any state taxes
17 under title 14 to the department. The director is authorized to

1 grant an exemption to the electronic filing and payment
2 requirements for good cause.

3 (b) Any person who files a tax return for any tax and is
4 not required by subsection (a) to remit taxes by means of
5 electronic funds transfer may elect to remit taxes by one of the
6 means of electronic funds transfer approved by the department
7 with the approval of the director of taxation.

8 (c) If a person who is required under subsection (a) to
9 file a return electronically and remit taxes by one of the means
10 of electronic funds transfer approved by the department fails to
11 file electronically and to remit the taxes using an approved
12 method on or before the date prescribed therefor, unless it is
13 shown that the failure is due to reasonable cause and not to
14 neglect, there shall be added to the tax required to be so
15 remitted a penalty of two per cent of the amount of the tax.
16 The penalty under this subsection is in addition to any penalty
17 set forth in section 231-39.

18 (d) No later than twenty days prior to the convening of
19 each regular session, the department shall submit a report to
20 the legislature containing:

21 (1) The number of taxpayers who were assessed the two per
22 cent penalty pursuant to subsection (c);

- 1 (2) The amounts of each assessment; and
- 2 (3) The total amount of assessments collected for the
- 3 previous year."

4 SECTION 2. Section 237-30, Hawaii Revised Statutes, is
5 amended to read as follows:

6 **"§237-30 Monthly, quarterly, or semiannual return,**
7 **computation of tax, payment.** (a) The taxes levied hereunder
8 shall be payable in monthly installments on or before the [~~last~~
9 fifteenth day of the calendar month following the month in which
10 they accrue. The taxpayer shall, on or before the last day of
11 the calendar month following the month in which the taxes
12 accrue, make out and sign a return of the installment of tax for
13 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 (b) Notwithstanding subsection (a), the director of
19 taxation, for good cause, may permit a taxpayer to file the
20 taxpayer's return required under this section and make payments
21 thereon:

- 1 (1) On a quarterly basis during the calendar or fiscal
2 year, the return and payment to be made on or before
3 the [~~last~~] fifteenth day of the calendar month after
4 the close of each quarter, to wit: for calendar year
5 taxpayers, on or before April [~~30~~] 15, July [~~31~~] 15,
6 October [~~31~~] 15, and January [~~31~~] 15 or, for fiscal
7 year taxpayers, on or before the [~~last~~] fifteenth day
8 of the fourth month, seventh month, and tenth month
9 following the beginning of the fiscal year and on or
10 before the [~~last~~] fifteenth day of the month following
11 the close of the fiscal year; provided that the
12 director is satisfied that the grant of the permit
13 will not unduly jeopardize the collection of the taxes
14 due thereon and the taxpayer's total tax liability for
15 the calendar or fiscal year under this chapter will
16 not exceed [~~\$4,000~~] \$ _____; or
- 17 (2) On a semiannual basis during the calendar or fiscal
18 year, the return and payment to be made on or before
19 the [~~last~~] fifteenth day of the calendar month after
20 the close of each six-month period, to wit: for
21 calendar year taxpayers, on July [~~31~~] 15 and January
22 [~~31~~] 15 or, for fiscal year taxpayers, on or before

1 the [~~last~~] fifteenth day of the seventh month
2 following the beginning of the fiscal year and on or
3 before the [~~last~~] fifteenth day of the month following
4 the close of the fiscal year; provided that the
5 director is satisfied that the grant of the permit
6 will not unduly jeopardize the collection of the taxes
7 due thereon and the taxpayer's total tax liability for
8 the calendar or fiscal year under this chapter will
9 not exceed [~~\$2,000.~~] \$ _____.

10 The director, for good cause, may permit a taxpayer to make
11 monthly payments based on the taxpayer's estimated quarterly or
12 semiannual liability, provided the taxpayer files a
13 reconciliation return at the end of each quarter or at the end
14 of each six-month period during the calendar or fiscal year, as
15 provided in this section.

16 (c) If a taxpayer filing the taxpayer's return on a
17 quarterly or semiannual basis, as provided in this section,
18 becomes delinquent in either the filing of the taxpayer's return
19 or the payment of the taxes due thereon, or if the liability of
20 a taxpayer, who possesses a permit to file the taxpayer's return
21 and to make payments on a semiannual basis exceeds [~~\$2,000~~]
22 \$ _____ in general excise taxes during the calendar year or

1 exceeds [~~\$4,000~~] \$ _____ in general excise taxes during the
2 calendar year if making payments on a quarterly basis, or if the
3 director determines that any such quarterly or semiannual filing
4 of return would unduly jeopardize the proper administration of
5 this chapter, including the assessment or collection of the
6 general excise tax, the director [~~may~~], at any time, may revoke
7 a taxpayer's permit, in which case the taxpayer will then be
8 required to file the taxpayer's return and make payments thereon
9 as herein provided in subsection (a).

10 (d) The director may adopt [~~and promulgate~~] rules [~~and~~
11 ~~regulations~~] in accordance with chapter 91 to carry out the
12 purposes of this section.

13 (e) Section 232-2 does not apply to a monthly return."

14 SECTION 3. Section 237D-6, Hawaii Revised Statutes, is
15 amended by amending subsection (a) and (b) to read as follows:

16 "(a) On or before the [~~last~~] fifteenth day of each
17 calendar month, every operator taxable, or plan manager liable
18 under this chapter during the preceding calendar month shall
19 file a sworn return with the director in such form as the
20 director shall prescribe together with a remittance for the
21 amount of the tax in the form required by section 237D-6.5.

22 Sections 237-30 and 237-32 shall apply to returns and penalties

1 made under this chapter to the same extent as if the sections
2 were set forth specifically in this section.

3 (b) Notwithstanding subsection (a), the director of
4 taxation, for good cause, may permit a taxpayer to file the
5 taxpayer's return required under this section and make payments
6 thereon:

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

1 (2) On a semiannual basis during the calendar or fiscal
2 year, the return and payment to be made by or before
3 the [~~last~~] fifteenth day of the calendar month after
4 the close of each six-month period, to wit: for
5 calendar year taxpayers, on July [~~31~~] 15 and January
6 [~~31~~] 15 or, for fiscal year taxpayers, on or before
7 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 make
17 monthly payments based on the taxpayer's estimated quarterly or
18 semiannual liability; provided that 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."

1 SECTION 4. Section 237D-7, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§237D-7 Annual return.** On or before the [~~twentieth~~
4 fifteenth day of the fourth month following the close of the
5 taxable year, every person who has become liable for the payment
6 of the taxes under this chapter during the preceding tax year
7 shall file a return summarizing that person's liability under
8 this chapter for the year, in such form as the director
9 prescribes. The operator or plan manager shall transmit with
10 the return a remittance covering the residue of the tax
11 chargeable to the operator or plan manager, if any, to the
12 office of the appropriate state district tax assessor designated
13 in section 237D-8. The return shall be signed by the taxpayer,
14 if made by an individual, or by the president, vice-president,
15 secretary, or treasurer of a corporation, if made on behalf of a
16 corporation. If made on behalf of a partnership, firm, society,
17 unincorporated association, group, hui, joint adventure, joint
18 stock company, corporation, trust estate, decedent's estate,
19 trust, or other entity, any individual delegated by the entity
20 shall sign the same on behalf of the taxpayer. If for any
21 reason it is not practicable for the individual taxpayer to sign
22 the return, it may be done by any duly authorized agent. The

1 department, for good cause shown, may extend the time for making
2 the return on the application of any taxpayer and grant such
3 reasonable additional time within which to make the return as
4 the department may deem advisable.

5 Section 232-2 applies to the annual return, but not to a
6 monthly return."

7 SECTION 5. Section 237D-8.6, Hawaii Revised Statutes, is
8 amended to read as follows:

9 **"§237D-8.6 Reconciliation; form requirement.** (a) On or
10 before the [~~twentieth~~] fifteenth day of the fourth month
11 following the close of the taxable year, every person who has
12 become liable for the payment of taxes under this chapter during
13 the preceding taxable year and who has furnished transient
14 accommodations which were exempt, for any portion of the taxable
15 year, from the tax imposed under this chapter, shall file a
16 reconciliation for transient accommodations as prescribed by the
17 director indicating the amount of gross income that was subject
18 to such tax and the amount that was subject to the general
19 excise tax imposed under chapter 237.

20 (b) On or before the [~~twentieth~~] fifteenth day of the
21 fourth month following the close of the taxable year, every plan
22 manager who has become liable for the payment of taxes under

1 this chapter during the preceding taxable year shall file a
2 reconciliation indicating the period of time that the owner of a
3 resort time share vacation unit was subject to the general
4 excise tax or the tax under section 237D-2(a)."

5 SECTION 6. Section 243-10, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "**§243-10 Statements and payments.** Each distributor and
8 each person subject to section 243-4(b), on or before the [~~last~~]
9 fifteenth day of each calendar month, shall file with the
10 director of taxation, on forms prescribed, prepared, and
11 furnished by the director, a statement, authenticated as
12 provided in section 231-15, showing separately for each county
13 and for the island of Lanai and the island of Molokai within
14 which and whereon fuel is sold or used during each preceding
15 month of the calendar year, the following:

16 (1) The total number of gallons of fuel refined,
17 manufactured, or compounded by the distributor or
18 person within the State and sold or used by the
19 distributor or person, and if for ultimate use in
20 another county or on either island, the name of that
21 county or island;

- 1 (2) The total number of gallons of fuel acquired by the
2 distributor or person during the month from persons
3 not subject to the tax on the transaction or only
4 subject to tax thereon at the rate of 1 cent per
5 gallon, as the case may be, and sold or used by the
6 distributor or person, and if for ultimate use in
7 another county or on either island, the name of that
8 county or island;
- 9 (3) The total number of gallons of fuel sold by the
10 distributor or person to the United States or any
11 department or agency thereof, or to any other person
12 or entity, or used in any manner, the effect of which
13 sale or use is to exempt the fuel from the tax imposed
14 by this chapter;
- 15 (4) Additional information relative to the acquisition,
16 purchase, manufacture, or importation into the State,
17 and the sale, use, or other disposition, of diesel oil
18 by the distributor or person during the month, as the
19 department of taxation by rule shall prescribe.

20 At the time of submitting the foregoing report to the
21 department, each distributor and person shall pay the tax on
22 each gallon of fuel (including diesel oil) sold or used by the

1 distributor or person in each county and on the island of Lanai
2 and the island of Molokai during the preceding month, as shown
3 by the statement and required by this chapter; provided that the
4 tax shall not apply to any fuel exempted and so long as the same
5 is exempted from the imposition of the tax by the Constitution
6 or laws of the United States; and the tax shall be paid only
7 once upon the same fuel; provided further that a licensed
8 distributor shall be entitled, in computing the tax the licensed
9 distributor is required to pay, to deduct from the gallons of
10 fuel reported for the month for each county or for the island of
11 Lanai or the island of Molokai, as the case may be, one gallon
12 for each ninety-nine gallons of like liquid fuel sold by retail
13 dealers in that county or on that island during the month, as
14 shown by certificates furnished by the retail dealers to the
15 distributor and attached to the distributor's report. All taxes
16 payable for any month shall be delinquent after the expiration
17 of the [~~last~~] fifteenth day of the following month.

18 Statements filed under this section concerning the number
19 of gallons of fuel refined, manufactured, compounded, imported,
20 sold or used by the distributor or person are public records. "

21 SECTION 7. Section 245-5, Hawaii Revised Statutes, is
22 amended to read as follows:

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1 "**§245-5 Returns.** Every wholesaler or dealer, on or before
2 the [~~last~~] fifteenth day of each month, shall file with the
3 department a return showing the cigarettes and tobacco products
4 sold, possessed, or used by the wholesaler or dealer during the
5 preceding calendar month and of the taxes chargeable against the
6 taxpayer in accordance with this chapter. The form of the
7 return shall be prescribed by the department and shall include:

- 8 (1) A separate statement of the number and wholesale price
9 of cigarettes;
10 (2) The amount of stamps purchased and used;
11 (3) The wholesale price of tobacco products, sold,
12 possessed, or used; and
13 (4) Any other information that the department may deem
14 necessary, for the proper administration of this
15 chapter."

16 SECTION 8. Section 245-28, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "~~[§]§245-28[§]~~ **Time for payment of deferred-payment**
19 **purchases; manner of payment.** Amounts owing for stamps
20 purchased on the deferred-payment basis in any calendar month
21 shall be due and payable on or before the [~~last~~] fifteenth day

1 of the following calendar month. Payment shall be made by a
2 remittance payable to the department."

3 SECTION 9. Section 245-31, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "[+]§245-31[+] **Monthly report on distributions of**
6 **cigarettes and tobacco products, and purchases of stamps.** (a)

7 On or before the [~~last~~] fifteenth day of each month, every
8 licensee shall file on forms prescribed by the department:

9 (1) A report of the licensee's distributions of cigarettes
10 and purchases of stamps during the preceding month;
11 and

12 (2) Any other information that the department may require
13 to carry out this part.

14 (b) On or before the [~~last~~] fifteenth day of each month,
15 every licensee shall file on forms prescribed by the department:

16 (1) A report of the licensee's distributions of tobacco
17 products and the wholesale costs of tobacco products
18 during the preceding month; and

19 (2) Any other information that the department may require
20 to carry out this part."

21 SECTION 10. Section 251-4, Hawaii Revised Statutes, is
22 amended by amending subsections (a) and (b) to read as follows:

1 "(a) On or before the [~~last~~] fifteenth day of each
2 calendar month, every person taxable under this chapter during
3 the preceding calendar month shall file a sworn return with the
4 director in such form as the director shall prescribe together
5 with a remittance for the amount of the surcharge tax in the
6 form required by section 251-5. Sections 237-30 and 237-32
7 shall apply to returns and penalties made under this chapter to
8 the same extent as if the sections were set forth specifically
9 in this section.

10 (b) Notwithstanding subsection (a), the director, for good
11 cause, may permit a person to file the person's return required
12 under this section and make payments thereon:

13 (1) On a quarterly basis during the calendar or fiscal
14 year, the return and payment to be made on or before
15 the [~~last~~] fifteenth day of the calendar month after
16 the close of each quarter, to wit: for calendar year
17 taxpayers, on or before April [~~30~~] 15, July [~~31~~] 15,
18 October [~~31~~] 15, and January [~~31~~] 15 or, for fiscal
19 year taxpayers, on or before the [~~last~~] fifteenth day
20 of the fourth month, seventh month, and tenth month
21 following the beginning of the fiscal year and on or
22 before the [~~last~~] fifteenth day of the month following

1 the close of the fiscal year; provided that the
2 director is satisfied that the grant of the permit
3 will not unduly jeopardize the collection of the
4 surcharge taxes due thereon and that the person's
5 total surcharge tax liability for the calendar or
6 fiscal year under this chapter will not exceed \$4,000;
7 or

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

1 The director, for good cause, may permit a person to make
2 monthly payments based on the person's estimated quarterly or
3 semiannual liability; provided that the person files a
4 reconciliation return at the end of each quarter or at the end
5 of each six-month period during the calendar or fiscal year, as
6 provided in this section."

7 SECTION 11. Section 251-6, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "~~§~~**251-6**~~§~~ **Annual return.** On or before the ~~twentieth~~
10 fifteenth day of the fourth month following the close of the
11 taxable year, every person who has become liable for the payment
12 of the surcharge taxes under this chapter during the preceding
13 tax year shall file a return summarizing the person's liability
14 under this chapter for the year, in such form as the director
15 prescribes. The person shall transmit with the return a
16 remittance covering the residue of the surcharge tax chargeable
17 to the person, if any, to the office of the appropriate state
18 district tax assessor designated in section 251-7. The return
19 shall be signed by the person, if made by an individual, or by
20 the president, vice-president, secretary, or treasurer of a
21 corporation, if made on behalf of a corporation. If made on
22 behalf of a partnership, firm, society, unincorporated

1 association, group, hui, joint adventure, joint stock company,
2 corporation, trust estate, decedent's estate, trust, or other
3 entity, any individual delegated by the entity shall sign the
4 same on behalf of the person. If for any reason it is not
5 practicable for the individual person to sign the return, it may
6 be done by any duly authorized agent. The department, for good
7 cause shown, may extend the time for making the return on the
8 application of any person and grant such reasonable additional
9 time within which to make the return as the department may deem
10 advisable.

11 Section 232-2 applies to the annual return, but not to a
12 monthly, quarterly, or semiannual return."

13 SECTION 12. This Act does not affect rights and duties
14 that matured, penalties that were incurred, and proceedings that
15 were begun before its effective date.

16 SECTION 13. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 14. This Act shall take effect on July 1, 2009,
19 and shall apply to taxable years beginning after December 31,
20 2008.

Report Title:

Electronic Filing and Payment of Taxes; Accelerate Tax Payments

Description:

Requires all persons required to electronically file and pay federal taxes to electronically file and pay state taxes. Accelerates the filing and payment due dates for general excise, transient accommodations, fuel, cigarette, and rental motor vehicle and tour vehicle surcharge taxes. (SD1)