
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 twentieth 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~~] twentieth day of the calendar month after
4 the close of each quarter, to wit: for calendar year
5 taxpayers, on or before April [~~30~~] 20, July [~~31~~] 20,
6 October [~~31~~] 20, and January [~~31~~] 20 or, for fiscal
7 year taxpayers, on or before the [~~last~~] twentieth 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~~] twentieth 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~~] twentieth day of the calendar month after
20 the close of each six-month period, to wit: for
21 calendar year taxpayers, on July [~~31~~] 20 and January
22 [~~31~~] 20 or, for fiscal year taxpayers, on or before

1 the [~~last~~] twentieth day of the seventh month
2 following the beginning of the fiscal year and on or
3 before the [~~last~~] twentieth 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~~] twentieth 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~~] twentieth day of the calendar month after
10 the close of each quarter, to wit: for calendar year
11 taxpayers, on or before April [~~30~~] 20, July [~~31~~] 20,
12 October [~~31~~] 20, and January [~~31~~] 20 or, for fiscal
13 year taxpayers, on or before the [~~last~~] twentieth 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~~] twentieth 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~~] twentieth day of the calendar month after
4 the close of each six-month period, to wit: for
5 calendar year taxpayers, on July [~~31~~] 20 and January
6 [~~31~~] 20 or, for fiscal year taxpayers, on or before
7 the [~~last~~] twentieth day of the seventh month
8 following the beginning of the fiscal year and on or
9 before the [~~last~~] twentieth 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 243-10, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§243-10 Statements and payments.** Each distributor and
4 each person subject to section 243-4(b), on or before the [~~last~~]
5 twentieth day of each calendar month, shall file with the
6 director of taxation, on forms prescribed, prepared, and
7 furnished by the director, a statement, authenticated as
8 provided in section 231-15, showing separately for each county
9 and for the island of Lanai and the island of Molokai within
10 which and whereon fuel is sold or used during each preceding
11 month of the calendar year, the following:

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

18 (2) The total number of gallons of fuel acquired by the
19 distributor or person during the month from persons
20 not subject to the tax on the transaction or only
21 subject to tax thereon at the rate of 1 cent per
22 gallon, as the case may be, and sold or used by the

1 distributor or person, and if for ultimate use in
2 another county or on either island, the name of that
3 county or island;

4 (3) The total number of gallons of fuel sold by the
5 distributor or person to the United States or any
6 department or agency thereof, or to any other person
7 or entity, or used in any manner, the effect of which
8 sale or use is to exempt the fuel from the tax imposed
9 by this chapter;

10 (4) Additional information relative to the acquisition,
11 purchase, manufacture, or importation into the State,
12 and the sale, use, or other disposition, of diesel oil
13 by the distributor or person during the month, as the
14 department of taxation by rule shall prescribe.

15 At the time of submitting the foregoing report to the
16 department, each distributor and person shall pay the tax on
17 each gallon of fuel (including diesel oil) sold or used by the
18 distributor or person in each county and on the island of Lanai
19 and the island of Molokai during the preceding month, as shown
20 by the statement and required by this chapter; provided that the
21 tax shall not apply to any fuel exempted and so long as the same
22 is exempted from the imposition of the tax by the Constitution

1 or laws of the United States; and the tax shall be paid only
2 once upon the same fuel; provided further that a licensed
3 distributor shall be entitled, in computing the tax the licensed
4 distributor is required to pay, to deduct from the gallons of
5 fuel reported for the month for each county or for the island of
6 Lanai or the island of Molokai, as the case may be, one gallon
7 for each ninety-nine gallons of like liquid fuel sold by retail
8 dealers in that county or on that island during the month, as
9 shown by certificates furnished by the retail dealers to the
10 distributor and attached to the distributor's report. All taxes
11 payable for any month shall be delinquent after the expiration
12 of the [~~last~~] twentieth day of the following month.

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

16 SECTION 5. Section 245-5, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§245-5 Returns.** Every wholesaler or dealer, on or before
19 the [~~last~~] twentieth day of each month, shall file with the
20 department a return showing the cigarettes and tobacco products
21 sold, possessed, or used by the wholesaler or dealer during the
22 preceding calendar month and of the taxes chargeable against the

1 taxpayer in accordance with this chapter. The form of the
2 return shall be prescribed by the department and shall include:

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

11 SECTION 6. Section 245-28, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "[~~f~~]§245-28[~~f~~] **Time for payment of deferred-payment**
14 **purchases; manner of payment.** Amounts owing for stamps
15 purchased on the deferred-payment basis in any calendar month
16 shall be due and payable on or before the [~~last~~] twentieth day
17 of the following calendar month. Payment shall be made by a
18 remittance payable to the department."

19 SECTION 7. Section 245-31, Hawaii Revised Statutes, is
20 amended to read as follows:

21 "[~~f~~]§245-31[~~f~~] **Monthly report on distributions of**
22 **cigarettes and tobacco products, and purchases of stamps.** (a)

1 On or before the [~~last~~] twentieth day of each month, every
2 licensee shall file on forms prescribed by the department:

3 (1) A report of the licensee's distributions of cigarettes
4 and purchases of stamps during the preceding month;
5 and

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

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

10 (1) A report of the licensee's distributions of tobacco
11 products and the wholesale costs of tobacco products
12 during the preceding month; and

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

15 SECTION 8. Section 251-4, Hawaii Revised Statutes, is
16 amended by amending subsections (a) and (b) to read as follows:

17 "(a) On or before the [~~last~~] twentieth day of each
18 calendar month, every person taxable under this chapter during
19 the preceding calendar month shall file a sworn return with the
20 director in such form as the director shall prescribe together
21 with a remittance for the amount of the surcharge tax in the
22 form required by section 251-5. Sections 237-30 and 237-32

1 shall apply to returns and penalties made under this chapter to
2 the same extent as if the sections were set forth specifically
3 in this section.

4 (b) Notwithstanding subsection (a), the director, for good
5 cause, may permit a person to file the person's return required
6 under this section and make payments 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~~] twentieth day of the calendar month after
10 the close of each quarter, to wit: for calendar year
11 taxpayers, on or before April [~~30~~] 20, July [~~31~~] 20,
12 October [~~31~~] 20, and January [~~31~~] 20 or, for fiscal
13 year taxpayers, on or before the [~~last~~] twentieth 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~~] twentieth 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

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

18 The director, for good cause, may permit a person to make
19 monthly payments based on the person's estimated quarterly or
20 semiannual liability; provided that the person files a
21 reconciliation return at the end of each quarter or at the end

1 of each six-month period during the calendar or fiscal year, as
2 provided in this section."

3 SECTION 9. This Act does not affect rights and duties that
4 matured, penalties that were incurred, and proceedings that were
5 begun before its effective date.

6 SECTION 10. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 11. This Act shall take effect on July 1, 2009,
9 and shall apply to taxable years beginning after December 31,
10 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. (SD2)