

Honolulu, Hawaii

MAR 06 2009

RE: S.B. No. 1461  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1461, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to allow the State to realize revenues on an accelerated basis with regard to the collection of certain taxes.

Specifically, this measure advances from the last day of the month to the fifteenth day of the month the following:

- (1) Monthly, quarterly, or semiannual filing and payment of the general excise tax;
- (2) Monthly, quarterly, semiannual, and annual filing and payment of the transient accommodations tax;
- (3) Filing of the annual reconciliation for the transient accommodations tax;
- (4) Monthly filing of information on which the fuel tax is based and the date of delinquency for payment of fuel tax;
- (5) Monthly filing of returns with regard to the cigarette tax and tobacco tax;



- (6) Monthly payment, on the deferred-payment basis, of the purchase of cigarette tax stamps;
- (7) Monthly report on distributions of cigarettes and tobacco products and purchases of stamps; and
- (8) Monthly, quarterly, semiannual, and annual filing and payment of the rental motor vehicle and tour vehicle surcharge.

The measure also requires the electronic filing of a state tax return and payment of state taxes by electronic funds transfer by any person required to electronically file a federal tax return and electronically remit taxes to the federal government.

Your Committee believes that this measure will generate a one-time windfall gain by accelerating the payment and receipt of certain taxes. Your Committee finds that Act 355, Session Laws of Hawaii 1997, authorized the Governor to convert the State of Hawaii payroll payment basis from predicted payroll to after-the-fact payroll commencing with the June 30, 1998, pay day in fiscal year 1997-1998, which was delayed to July 6, 1998, in fiscal year 1998-1999. That "payroll lag" measure delayed state expenditures to generate a one-time windfall savings.

This measure achieves a similar effect by advancing the filing and payment of various taxes due, from the last calendar day of the month to an earlier date in the month and will generate a one-time savings.

Your Committee received one comment on this measure from one organization. The written comment may be reviewed on the Legislature's website.

Your Committee has amended this measure by amending all proposed filing and payment due dates from the fifteenth day to the twentieth day of the month. Accordingly, your Committee has deleted sections 4, 5, and 11, relating to the annual return and the annual reconciliation filed for the transient accommodations tax and the annual filing and payment of the rental motor vehicle and tour vehicle surcharge tax because those sections currently require filing and payment by the twentieth day of the month. The remaining sections of the measure have been renumbered accordingly.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1461, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1461, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

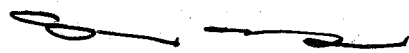


DONNA MERCADO KIM, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1461 SD1	WAM	MAR 5 2009		
<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
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne				/
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
GALUTERIA, Brickwood	/			
HEE, Clayton	/			
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred				/
<b>TOTAL</b>	<b>10</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes