
A BILL FOR AN ACT

RELATING TO ELECTRONIC FILING OF TAX RETURNS.

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

1 SECTION 1. The legislature finds that the department of
2 taxation does not allow certain tax documents to be filed
3 electronically. Requiring these documents to be filed manually
4 not only increases administrative costs, but also directs scarce
5 human and fiscal department resources away from more important
6 issues, such as delinquent tax collections and enforcement.

7 The purpose of this Act is to require the department of
8 taxation to establish a system to allow taxpayers to file all
9 tax returns, applications, reports, and other documents
10 electronically, telephonically, or by optical means. The Act
11 also assesses a \$5 fee for documents filed manually with the
12 department and uses the proceeds to fund the electronic filing
13 system.

14 SECTION 2. Chapter 231, Hawaii Revised Statutes, is
15 amended by adding two new sections to be appropriately
16 designated and to read as follows:

17 "231-A Manual filing; fee. Notwithstanding any law to the
18 contrary, all tax returns, applications, reports, and other



1 documents, required to be filed with the department under title
2 14, that are filed manually by a taxpayer shall be assessed a
3 fee of \$5; provided that:

4 (1) The director of taxation may waive the fee under
5 special circumstances as provided by rule adopted
6 pursuant to chapter 91; and

7 (2) No fee shall be assessed for any filing that is made
8 by electronic, telephonic, or optical means.

9 For the purposes of this section, "filed manually" means a
10 filing that is not by electronic, telephonic, or optical means.

11 (b) The fee shall be deposited into the electronic filing
12 special fund under section 231-B.

13 **§231-B Electronic filing special fund.** (a) There is
14 established in the state treasury the electronic filing special
15 fund into which shall be deposited the proceeds collected under
16 section 231-A.

17 (b) Moneys in the fund shall be expended by the department
18 to pay for costs related to the electronic filing of tax
19 returns, applications, reports, and other documents, including
20 training, designing, and operating e-portals for the electronic
21 filing system under section 231-8.5.



1 (c) The department shall submit an annual report to the
2 legislature no later than twenty days prior to the convening of
3 each regular session, providing an accounting of the receipts of
4 and expenditures from the fund."

5 SECTION 3. Section 231-8.5, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "[~~f~~]**\$231-8.5**[~~f~~] **Electronic filing of tax returns.** (a)
8 The department [~~may allow filing by electronic, telephonic, or~~
9 ~~optical means of any tax return, application, report, or other~~
10 ~~document~~] shall establish a system to allow taxpayers to file
11 all tax returns, applications, reports, and other documents
12 required under [the provisions of] title 14 [administered by the
13 ~~department.]~~ electronically, telephonically, or by optical
14 means. The date of filing shall be the date the tax return,
15 application, report, or other document is transmitted to the
16 department in a form and manner prescribed by departmental rules
17 adopted pursuant to chapter 91. The department may determine
18 alternative methods for the signing, subscribing, or verifying
19 of a tax return, application, report, or other document that
20 shall have the same validity and consequences as the actual
21 signing by the taxpayer.



1 (b) A filing under this section shall be treated in the
2 same manner as a filing subject to the penalties under section
3 231-39."


4 SECTION 4. In codifying the new sections added by section
5 2 of this Act, the revisor of statutes shall substitute
6 appropriate section numbers for the letters used in designating
7 the new sections in this Act.

8 SECTION 5. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 6. This Act shall take effect upon its approval
11 and apply to taxable years beginning after December 31, 2008.

12

INTRODUCED BY:



Jyla B. Berg

JAN 23 2009



Report Title:

Taxation; Electronic Filing

Description:

Requires DOTAX to establish a system to allow taxpayers to file all tax returns, applications, reports, and other documents electronically, telephonically, or by optical means. Also assesses a \$5 fee for documents filed manually and uses the proceeds to fund the electronic filing system.

