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# A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

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

1           SECTION 1. Section 237-30, Hawaii Revised Statutes, is  
2 amended to read as follows:  
3           "~~§237-30~~ **Monthly, quarterly, or semiannual** [~~return,~~  
4 **estimated payments and computation of tax**[~~, payment~~]; **annual**  
5 **return.** (a) Payment of tax by estimated payment. The taxes  
6 levied hereunder shall be payable in monthly installments in the  
7 form of an estimated payment to be made on the form required by  
8 the director on or before the [~~last~~] twentieth day of the  
9 calendar month following the month in which they accrue. The  
10 taxpayer [~~shall~~], on or before the [~~last~~] twentieth day of the  
11 calendar month following the month in which the taxes accrue,  
12 shall make out and sign [~~a return~~] an estimated payment voucher  
13 of the installment of tax for which the taxpayer is liable for  
14 the preceding month and transmit the same, together with a  
15 remittance, in the form required by section 237-31, for the  
16 amount of the tax, to the office of the department of taxation  
17 in the appropriate district hereinafter designated.

1           (b) Payment of taxes on periodic bases other than monthly;  
2 annual reconciliation return for all taxpayers. Notwithstanding  
3 subsection (a), the director of taxation, for good cause, may  
4 permit a taxpayer to file the taxpayer's [~~return~~] voucher  
5 required under this section and make payments thereon:

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

1           (2) On a semiannual basis during the calendar or fiscal  
2           year, the [~~return~~] voucher and payment to be made on  
3           or before the [~~last~~] twentieth day of the calendar  
4           month after the close of each six-month period, to  
5           wit: for calendar year taxpayers, on July [~~31~~] 20 and  
6           January [~~31~~] 20 or, for fiscal year taxpayers, on or  
7           before 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~~  
17          ~~make monthly payments based on the taxpayer's estimated~~  
18          ~~quarterly or semiannual liability, provided 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.]~~ Every taxpayer required to make  
22          estimated tax payments by voucher on or before the twentieth day

1 of the fourth month following the close of the taxpayer's  
2 taxable year, shall file a reconciliation return reflecting  
3 information required by the director, including the amount of  
4 gross receipts or gross income earned for each period for which  
5 a periodic estimated payment is required to be made.

6 (c) Revocation of periodic permit. If a taxpayer filing  
7 the taxpayer's estimated payment or return [~~on a quarterly or~~  
8 ~~semiannual basis,~~] as provided in this section, becomes  
9 delinquent in either the filing of the taxpayer's return or the  
10 payment of the taxes due thereon, or if the liability of a  
11 taxpayer, who possesses a permit to file the taxpayer's [~~return~~]  
12 voucher and to make payments on a semiannual basis exceeds  
13 [~~\$2,000~~] \_\_\_\_\_ in general excise taxes during the calendar year  
14 or exceeds [~~\$4,000~~] \_\_\_\_\_ in general excise taxes during the  
15 calendar year if making payments on a quarterly basis, or if the  
16 director determines that any such quarterly or semiannual filing  
17 of [~~return~~] a voucher and payment would unduly jeopardize the  
18 proper administration of this chapter, including the assessment  
19 or collection of the general excise tax, the director may, at  
20 any time, revoke a taxpayer's permit, in which case the taxpayer  
21 will then be required to file the taxpayer's [~~return~~] voucher  
22 and make payments thereon as herein provided in subsection (a).

1           (d) Rules. The director may adopt [~~and promulgate~~] rules  
2 [~~and regulations~~] to carry out the purposes of this section.

3           (e) [~~Section 232-2 does not apply to a monthly return.~~]  
4 Penalties. In the case of any underpayment of estimated tax,  
5 except as provided by this subsection, there shall be added to  
6 the tax for the taxable year an amount determined at the rate of  
7 two-thirds of one per cent a month or fraction of a month upon  
8 the amount of the underpayment for the period of the  
9 underpayment.

10           (1) The amount of the underpayment shall be the excess of:

11            (A) The required installment, over

12            (B) The amount, if any, of the installment paid on or  
13               before the due date for the installment.

14           (2) The period of the underpayment shall run from the due  
15 date for the installment to whichever of the following  
16 dates is the earlier:

17            (A) The twentieth day of the fourth month following  
18               the close of the taxable year; or

19            (B) With respect to any portion of the underpayment,  
20 the date on which the portion is paid. For  
21 purposes of this paragraph, a payment of  
22 estimated tax on any installment date shall be

1                   credited against unpaid required installments in  
2                   the order in which the installments are required  
3                   to be paid.

4       (3) For the purposes of this section, the term "tax" means  
5       the tax imposed under this chapter.

6       (4) Sections 6654(d), (e) (2), (e) (3), (h), (i), (j), (k),  
7       and (l), (with respect to failure by an individual to  
8       pay estimated income tax), and 6655(d), (e), (g) (2),  
9       (g) (3), (g) (4), and (i) (with respect to failure by a  
10       corporation to pay estimated income tax) of the  
11       Internal Revenue Code, as of the date set forth in  
12       section 235-2.3(a), shall be operative for the  
13       purposes of this section and applied where relevant  
14       for purposes of the general excise tax; provided that  
15       the due dates contained in any of the preceding  
16       Internal Revenue Code sections shall be deemed to be  
17       the twentieth day of the applicable month; and  
18       provided further that, for purposes of this chapter in  
19       applying section 6654(d), the required annual payment  
20       shall be the lesser of sixty per cent of the tax shown  
21       on the return for the taxable year (or, if no return  
22       is filed, sixty per cent of the tax for the taxable

1           year) or one hundred per cent of the tax shown on the  
2           return of the individual for the preceding taxable  
3           year."

4           SECTION 2. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6           SECTION 3. This Act shall take effect on July 1, 2009.

**Report Title:**

General Excise Tax; Estimated Payments; Annual Return

**Description:**

Amends the general excise tax return filing and payment procedures to require periodic estimated payments and one annual return. (SD2)