
A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

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

1 SECTION 1. The legislature finds that Act 355, Session
2 Laws of Hawaii 1997, authorized the governor to convert the
3 State of Hawaii payroll payment basis from predicted payroll to
4 after-the-fact payroll commencing with the June 30, 1998, pay
5 day in fiscal year 1997-1998, which was delayed to July 6, 1998,
6 in fiscal year 1998-1999. That "payroll lag" measure delayed
7 state expenditures to generate a one-time windfall savings of
8 approximately \$51,500,000.

9 The legislature further finds that by advancing the filing
10 and payment of monthly general excise taxes due, from the last
11 calendar day of the month following the month in which taxes
12 accrue to the twentieth day of that month, will generate a one-
13 time estimated savings of \$75,000,000 to \$100,000,000 in a way
14 analogous to the effect of the payroll lag measure, but in
15 reverse fashion, by advancing receipt of revenues within one
16 fiscal year.

17 The purpose of this Act is to advance the filing and
18 payment of monthly general excise taxes due to an earlier date



1 in the following month to generate a one-time windfall savings
2 for the State.

3 SECTION 2. Section 237-30, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) The taxes levied hereunder shall be payable in
6 monthly installments on or before the [~~last~~] twentieth day of
7 the calendar month following the month in which they accrue.
8 The taxpayer [~~shall~~], on or before the [~~last~~] twentieth day of
9 the calendar month following the month in which the taxes
10 accrue, shall make out and sign a return of the installment of
11 tax for which the taxpayer is liable for the preceding month and
12 transmit the same, together with a remittance, in the form
13 required by section 237-31, for the amount of the tax, to the
14 office of the department of taxation in the appropriate district
15 hereinafter designated."

16 SECTION 3. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 4. This Act shall take effect on June 1, 2009 and
19 apply to taxes due on June 20, 2009.

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INTRODUCED BY:

Calvin H. Aoy
JAN 28 2009



Report Title:

General Excise Tax; Earlier Monthly Filing; One-Time Fiscal Year Windfall

Description:

Advances the date of filing of a general excise monthly tax return from the last day of the calendar month following the month in which the taxes accrue to the 20th day of that month to generate a one-time windfall in revenue due to earlier collection of taxes within the fiscal year.

