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## A BILL FOR AN ACT

RELATING TO STATE PAYMENTS.

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

1           SECTION 1. The purpose of this Act is to address state  
2 payments of past liabilities that were delayed to balance the  
3 state budget. More specifically, this Act sets aside from  
4 general excise tax revenues, the amounts necessary to pay those  
5 liabilities in the form of tax refunds and employer fringe  
6 benefit contributions. This Act takes effect on July 1, 2011.

7           SECTION 2. Section 237-31, Hawaii Revised Statutes, is  
8 amended to read as follows:

9           "**§237-31 Remittances.** All remittances of taxes imposed by  
10 this chapter shall be made by money, bank draft, check,  
11 cashier's check, money order, or certificate of deposit to the  
12 office of the department of taxation to which the return was  
13 transmitted. The department shall issue its receipts therefor  
14 to the taxpayer and shall pay the moneys into the state treasury  
15 as a state realization, to be kept and accounted for as provided  
16 by law; provided that:

17           (1) The sum from all general excise tax revenues realized  
18           by the State that represents the difference between



1           \$45,000,000 and the proceeds from the sale of any  
2           general obligation bonds authorized for that fiscal  
3           year for the purposes of the state educational  
4           facilities improvement special fund shall be deposited  
5           in the state treasury in each fiscal year to the  
6           credit of the state educational facilities improvement  
7           special fund; [~~and~~]

8           (2) A sum, not to exceed \$5,000,000, from all general  
9           excise tax revenues realized by the State shall be  
10          deposited in the state treasury in each fiscal year to  
11          the credit of the compound interest bond reserve  
12          fund[~~-~~];

13          (3) A sum, not to exceed \$63,000,000, from all general  
14          excise tax revenues realized by the State shall be  
15          deposited into a separate account in the general fund  
16          to address delayed payments of state contributions to  
17          the employees' retirement system and Hawaii employer-  
18          union health benefits trust fund that were not paid  
19          for fiscal year 2008-2009; and

20          (4) A sum, not to exceed \$275,000,000, from all general  
21          excise tax revenues realized by the State shall be  
22          deposited into a separate account in the general fund



1           to address delayed payments of state tax refunds that  
 2           were not paid in order to balance the supplemental  
 3           executive budget for fiscal year 2009-2010."

4           SECTION 3. The legislature intends that the moneys in the  
 5 accounts established pursuant to this Act be expended during the  
 6 fiscal year 2011-2012 to pay the fringe benefit contribution and  
 7 tax refund amounts that were not paid in order to balance the  
 8 state budget during the fiscal period 2008-2009 to 2010-2011.

9           The governor shall submit appropriate legislation to the  
 10 senate president and speaker of the house of representatives  
 11 prior to the regular session of 2011 proposing appropriations to  
 12 make the payments under this Act.

13           SECTION 4. Statutory material to be repealed is bracketed  
 14 and stricken. New statutory material is underscored.

15           SECTION 5. This Act shall take effect on July 1, 2011 and  
 16 shall apply to taxable years beginning after December 31, 2010.

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,INTRODUCED BY: Cedric K. Ay  
 JAN 14 2010

**Report Title:**

General Excise Tax; Fringe Benefit Contributions; Tax Refunds

**Description:**

Remits general excise tax funds to pay fringe benefit contributions and tax refunds not paid in previous fiscal years to balance the state budget. Act takes effect on 07/01/2011.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

