

JAN 21 2011

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. In 2010, the senate committee on economic
2 development and technology and the house committee on economic
3 revitalization, business, and military affairs convened an
4 informal small business discussion group to address the most
5 critical issues facing the small business sectors within
6 Hawaii's economy. Representatives from the Chamber of Commerce
7 of Hawaii, construction and trades industries, community
8 nonprofits, the agricultural sector, food and restaurant
9 industries, retailing, the science and technology sector, the
10 commercial transportation industry, and interested stakeholders
11 developed a package of bills that address the most pressing
12 problems facing Hawaii's small business community.

13 The purpose of this Act is to support the findings of the
14 small business working group and recommendations to amend the
15 distribution of partial payment of taxes to principal first,
16 then penalties, then interest.

17 SECTION 2. Section 231-27, Hawaii Revised Statutes, is
18 amended to read as follows:

2011-0257 SB SMA-1.doc



1 "§231-27 Partial payment of taxes. Whenever a taxpayer
2 makes a partial payment of a particular assessment of taxes, the
3 amount received by the department of taxation shall first be
4 credited to [~~interest,~~] principal, then to penalties, and then
5 to [~~principal.~~] interest."

6 SECTION 3. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 4. This Act shall take effect upon its approval.

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Report Title:

Taxation; Partial Payment

Description:

Amends distribution of partial payment of taxes to principal first, then penalties, then interest.

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