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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 231-96, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "~~[+]§231-96[+]~~ Failure to record transaction ~~[by receipt]~~.

4 (a) It shall be unlawful to conduct more than ten taxable  
5 business transactions per day in cash and fail to [provide]:

6 (1) Offer a receipt or other record of the transaction  
7 ~~[when the means for issuing a receipt or recording the~~  
8 ~~transaction are available.]~~; and

9 (2) Maintain a contemporaneously generated record of all  
10 business transactions conducted each day,

11 whether hand written or generated by a manually operated or  
12 electronic cash register. Each day a person is in violation of  
13 this section shall be treated as a separate violation.

14 ~~[Any]~~ (b) Except as provided in subsection (c), any person  
15 who violates this section shall be subject to a fine not to  
16 exceed \$1,000; provided that if the person is a cash-based  
17 business, the fine shall not exceed \$2,000.



1        (c) If the person, including a cash-based business, is  
2 otherwise in compliance with title 14 at the time of violation  
3 of this section, the fine for a violation of this section shall  
4 be commensurate with the violation, as determined by the  
5 department in accordance with rules adopted pursuant to chapter  
6 91."

7        SECTION 2. Section 231-97, Hawaii Revised Statutes, is  
8 repealed.

9        [~~"[§231-97] Failure to record transaction by register. It~~  
10 ~~shall be unlawful to conduct more than ten taxable business~~  
11 ~~transactions per day in cash and fail to record the transaction~~  
12 ~~in a cash register when the means for recording the transaction~~  
13 ~~in a cash register are available. Each day a person is in~~  
14 ~~violation of this section shall be treated as a separate~~  
15 ~~violation. Any person who violates this section shall be~~  
16 ~~subject to a fine not to exceed \$1,000; provided that if the~~  
17 ~~person is a cash-based business, the fine shall not exceed~~  
18 ~~\$2,000."~~]

19        SECTION 3. This Act does not affect the rights and duties  
20 that matured, penalties that were incurred, and proceedings that  
21 were begun before its effective date.



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 Statutory material to be repealed is bracketed  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

3 SECTION 5. This Act shall take effect on January 7, 2059.



**Report Title:**

Tax Administration; Cash Economy; Receipts and Records

**Description:**

Clarifies violations of record and receipt requirements. Limits fines for violation if person is otherwise in compliance with tax laws to a level commensurate with the violation, as determined by the department in accordance with rules adopted under chapter 91. Effective January 7, 2059. (SD1)

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

