

STAND. COM. REP. NO.

671

Honolulu, Hawaii

March 4, 2011

RE: H.B. No. 418
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 418
entitled:

"A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX LAW,"

begs leave to report as follows:

The purpose of this bill is to facilitate the remittance of
general excise taxes by permitting the payment of general excise
taxes at certain chartered or licensed financial institutions.
This measure requires these financial institutions to pay
remittances to the state treasury and report receipts to the
Department of Taxation.

The Hawaii Bankers Association opposed this bill. The
Department of Taxation, Tax Foundation of Hawaii, and a concerned
individual provided comments.

Your Committee has amended this bill by deleting its contents
and replacing them with provisions that:

- (1) Decrease from \$100,000 to \$50,000, the tax liability
threshold at which the Director of Taxation is
authorized to require the person to remit taxes by one
of the approved electronic funds transfer methods; and
- (2) Decrease from \$40,000 to \$20,000, the threshold of
annual tax liabilities applying to the withholding of
taxes on wages at which the Director of Taxation is

HB418 HD1 HSCR FIN HMS 2011-2834



authorized to require the person to remit taxes by one of the approved electronic funds transfer methods.

Your Committee has further amended this bill by changing its effective date to July 1, 2030, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 418, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 418, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



