
A BILL FOR AN ACT

RELATING TO TAX ADMINISTRATION.

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

1 SECTION 1. Over the past three years, the State has faced
2 major fiscal challenges. The legislature used a number of
3 methods to address the multi-billion dollar shortfall including
4 cutting expenditures, cutting programs, increasing efficiency,
5 and raising revenues. An additional method used to minimize the
6 budget shortfall was adjusting the administration of the
7 finances of the State. In the interest of fiscal prudence, the
8 legislature now must reset many of the changes made to adjust
9 the administration of the finances of the State to ensure
10 continuing fiscal responsibility.

11 The purpose of this Act is to amend the payment deadlines
12 for the general excise tax, insurance premium taxes, and other
13 miscellaneous taxes.

14 SECTION 2. Section 237-30, Hawaii Revised Statutes, is
15 amended by amending subsections (a) and (b) to read as follows:

16 "(a) The taxes levied hereunder shall be payable in
17 monthly installments on or before the [~~twentieth~~] last day of
18 the calendar month following the month in which they accrue.



1 The taxpayer, on or before the [~~twentieth~~] last day of the
2 calendar month following the month in which the taxes accrue,
3 shall make out and sign a return of the installment of tax for
4 which the taxpayer is liable for the preceding month and
5 transmit the same, together with a remittance, in the form
6 required by section 237-31, for the amount of the tax, to the
7 office of the department of taxation in the appropriate district
8 hereinafter designated.

9 (b) Notwithstanding subsection (a), the director of
10 taxation, for good cause, may permit a taxpayer to file the
11 taxpayer's return required under this section and make payments
12 thereon:

13 (1) On a quarterly basis during the calendar or fiscal
14 year, the return and payment to be made on or before
15 the [~~twentieth~~] last day of the calendar month after
16 the close of each quarter, to wit: for calendar year
17 taxpayers, on or before April [~~20~~] 30, July [~~20~~] 31,
18 October [~~20~~] 31, and January [~~20~~] 31 or, for fiscal
19 year taxpayers, on or before the [~~twentieth~~] last day
20 of the fourth month, seventh month, and tenth month
21 following the beginning of the fiscal year and on or
22 before the [~~twentieth~~] last day of the month following



1 the close of the fiscal year; provided that the
2 director is satisfied that the grant of the permit
3 will not unduly jeopardize the collection of the taxes
4 due thereon and the taxpayer's total tax liability for
5 the calendar or fiscal year under this chapter will
6 not exceed \$4,000; or

7 (2) On a semiannual basis during the calendar or fiscal
8 year, the return and payment to be made on or before
9 the [~~twentieth~~] last day of the calendar month after
10 the close of each six-month period, to wit: for
11 calendar year taxpayers, on July [~~20~~] 31 and January
12 [~~20~~] 31 or, for fiscal year taxpayers, on or before
13 the [~~twentieth~~] last day of the seventh month
14 following the beginning of the fiscal year and on or
15 before the last day of the month following the close
16 of the fiscal year; provided that the director is
17 satisfied that the grant of the permit will not unduly
18 jeopardize the collection of the taxes due thereon and
19 the taxpayer's total tax liability for the calendar or
20 fiscal year under this chapter will not exceed \$2,000.

21 The director, for good cause, may permit a taxpayer to make
22 monthly payments based on the taxpayer's estimated quarterly or



1 semiannual liability, provided the taxpayer files a
2 reconciliation return at the end of each quarter or at the end
3 of each six-month period during the calendar or fiscal year, as
4 provided in this section."

5 SECTION 3. Section 237D-6, Hawaii Revised Statutes, is
6 amended by amending subsections (a) and (b) to read as follows:

7 "(a) On or before the [~~twentieth~~] last day of each
8 calendar month, every operator taxable, or plan manager liable
9 under this chapter during the preceding calendar month shall
10 file a sworn return with the director in such form as the
11 director shall prescribe together with a remittance for the
12 amount of the tax in the form required by section 237D-6.5.
13 Sections 237-30 and 237-32 shall apply to returns and penalties
14 made under this chapter to the same extent as if the sections
15 were set forth specifically in this section.

16 (b) Notwithstanding subsection (a), the director of
17 taxation, for good cause, may permit a taxpayer to file the
18 taxpayer's return required under this section and make payments
19 thereon:

20 (1) On a quarterly basis during the calendar or fiscal
21 year, the return and payment to be made on or before
22 the [~~twentieth~~] last day of the calendar month after



1 the close of each quarter, to wit: for calendar year
2 taxpayers, on or before April [~~20~~] 30, July [~~20~~] 31,
3 October [~~20~~] 31, and January [~~20~~] 31 or, for fiscal
4 year taxpayers, on or before the [~~twentieth~~] last day
5 of the fourth month, seventh month, and tenth month
6 following the beginning of the fiscal year and on or
7 before the [~~twentieth~~] last day of the month following
8 the close of the fiscal year; provided that the
9 director is satisfied that the grant of the permit
10 will not unduly jeopardize the collection of the taxes
11 due thereon and the taxpayer's total tax liability for
12 the calendar or fiscal year under this chapter will
13 not exceed \$4,000; or

14 (2) On a semiannual basis during the calendar or fiscal
15 year, the return and payment to be made by or before
16 the [~~twentieth~~] last day of the calendar month after
17 the close of each six-month period, to wit: for
18 calendar year taxpayers, on July [~~20~~] 31 and January
19 [~~20~~] 31 or, for fiscal year taxpayers, on or before
20 the [~~twentieth~~] last day of the seventh month
21 following the beginning of the fiscal year and on or
22 before the [~~twentieth~~] last day of the month following



1 the close of the fiscal year; provided that the
 2 director is satisfied that the grant of the permit
 3 will not unduly jeopardize the collection of the taxes
 4 due thereon and the taxpayer's total tax liability for
 5 the calendar or fiscal year under this chapter will
 6 not exceed \$2,000.

7 The director, for good cause, may permit a taxpayer to make
 8 monthly payments based on the taxpayer's estimated quarterly or
 9 semiannual liability; provided that the taxpayer files a
 10 reconciliation return at the end of each quarter or at the end
 11 of each six-month period during the calendar or fiscal year, as
 12 provided in this section."

13 SECTION 4. Section 238-5, Hawaii Revised Statutes, is
 14 amended by amending subsections (a) and (b) to read as follows:

15 "(a) On or before the [~~twentieth~~] last day of each
 16 calendar month, any person who has become liable for the payment
 17 of a tax under this chapter during the preceding calendar month
 18 in respect of any property, services, or contracting, or the use
 19 thereof, shall file a return with the assessor of the taxation
 20 district in which the property was held or the services or
 21 contracting were received when the tax first became payable, or
 22 with the director of taxation at Honolulu, setting forth a



1 description of the property, services, or contracting and the
2 character and quantity thereof in sufficient detail to identify
3 the same or otherwise in such reasonable detail as the director
4 by rule shall require, and the purchase price or value thereof
5 as the case may be. The return shall be accompanied by a
6 remittance in full of the tax, computed at the rate specified in
7 section 238-2 or 238-2.3 upon the price or value so returned.
8 Any tax remaining unpaid after the [~~twentieth~~] last day
9 following the end of the calendar month during which the tax
10 first became payable shall become delinquent; provided that a
11 receipt from a seller required or authorized to collect the tax,
12 given to a taxpayer in accordance with section 238-6, shall be
13 sufficient to relieve the taxpayer from further liability for
14 the tax to which the receipt may refer, or for the return
15 thereof.

16 (b) Notwithstanding subsection (a), a taxpayer may be
17 eligible to file the taxpayer's return required under this
18 section and make payments thereon on a quarterly or semiannual
19 basis during the calendar or fiscal year, the return and payment
20 to be made on or before the [~~twentieth~~] last day of the calendar
21 month after the close of each quarter or semiannual period, to
22 wit:



- 1 (1) For calendar year taxpayers filing on a quarterly
2 basis, on or before April [~~20~~] 30, July [~~20~~] 31,
3 October [~~20~~] 31, and January [~~20~~] 31;
- 4 (2) For calendar year taxpayers filing on a semiannual
5 basis, on or before July [~~20~~] 31, and January [~~20~~] 31;
- 6 (3) For fiscal year taxpayers filing on a quarterly basis,
7 on or before the [~~twentieth~~] last day of the fourth
8 month, seventh month, and tenth month following the
9 beginning of the fiscal year and on or before the
10 [~~twentieth~~] last day of the month following the close
11 of the fiscal year; or
- 12 (4) For fiscal year taxpayers filing on a semiannual
13 basis, on or before the [~~twentieth~~] last day of the
14 seventh month following the beginning of the fiscal
15 year and on or before the [~~twentieth~~] last day of the
16 month following the close of the fiscal year;
- 17 if the taxpayer possesses a valid and current permit to file the
18 taxpayer's general excise tax return and to make payments
19 thereon on a quarterly or semiannual basis issued by the
20 director pursuant to section 237-30. A taxpayer may also be
21 eligible to make monthly payments based on the taxpayer's
22 estimated quarterly or semiannual liability with a



1 reconciliation return at the end of each quarter or semiannual
2 period during the calendar or fiscal year, as heretofore
3 provided, if the taxpayer possesses a valid and current permit
4 to file quarterly or semiannual reconciliation general excise
5 tax returns and to make monthly payments, issued by the director
6 pursuant to section 237-30."

7 SECTION 5. Section 243-10, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§243-10 Statements and payments.** Each distributor and
10 each person subject to section 243-4(b), on or before the
11 [~~twentieth~~] last day of each calendar month, shall file with the
12 director of taxation, on forms prescribed, prepared, and
13 furnished by the director, a statement, authenticated as
14 provided in section 231-15, showing separately for each county
15 and for the island of Lanai and the island of Molokai within
16 which and whereon fuel is sold or used during each preceding
17 month of the calendar year, the following:

18 (1) The total number of gallons of fuel refined,
19 manufactured, or compounded by the distributor or
20 person within the State and sold or used by the
21 distributor or person, and if for ultimate use in



- 1 another county or on either island, the name of that
2 county or island;
- 3 (2) The total number of gallons of fuel acquired by the
4 distributor or person during the month from persons
5 not subject to the tax on the transaction or only
6 subject to tax thereon at the rate of 1 cent per
7 gallon, as the case may be, and sold or used by the
8 distributor or person, and if for ultimate use in
9 another county or on either island, the name of that
10 county or island;
- 11 (3) The total number of gallons of fuel sold by the
12 distributor or person to the United States or any
13 department or agency thereof, or to any other person
14 or entity, or used in any manner, the effect of which
15 sale or use is to exempt the fuel from the tax imposed
16 by this chapter; and
- 17 (4) Additional information relative to the acquisition,
18 purchase, manufacture, or importation into the State,
19 and the sale, use, or other disposition, of diesel oil
20 by the distributor or person during the month, as the
21 department of taxation by rule shall prescribe.



1 At the time of submitting the foregoing report to the
2 department, each distributor and person shall pay the tax on
3 each gallon of fuel [~~+~~]including diesel oil[~~-~~] sold or used by
4 the distributor or person in each county and on the island of
5 Lanai and the island of Molokai during the preceding month, as
6 shown by the statement and required by this chapter; provided
7 that the tax shall not apply to any fuel exempted and so long as
8 the same is exempted from the imposition of the tax by the
9 Constitution or laws of the United States[~~;~~~~and the~~]. The tax
10 shall be paid only once upon the same fuel[~~;~~~~provided further~~
11 ~~that a~~]. A licensed distributor shall be entitled, in computing
12 the tax the licensed distributor is required to pay, to deduct
13 from the gallons of fuel reported for the month for each county
14 or for the island of Lanai or the island of Molokai, as the case
15 may be, one gallon for each ninety-nine gallons of like liquid
16 fuel sold by retail dealers in that county or on that island
17 during the month, as shown by certificates furnished by the
18 retail dealers to the distributor and attached to the
19 distributor's report. All taxes payable for any month shall be
20 delinquent after the expiration of the [~~twentieth~~] last day of
21 the following month.



1 Statements filed under this section concerning the number
2 of gallons of fuel refined, manufactured, compounded, imported,
3 sold or used by the distributor or person are public records."

4 SECTION 6. Section 244D-6, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§244D-6 Return, form, contents.** Every taxpayer shall, on
7 or before the [~~twentieth~~] last day of each month, file with the
8 department of taxation in the taxation district in which the
9 taxpayer's business premises are located, or with the department
10 in Honolulu, a return showing all sales of liquor by gallonage
11 and dollar volume in each liquor category defined in section
12 244D-1 and taxed under section 244D-4(a) made by the taxpayer
13 during the preceding month, showing separately the amount of the
14 nontaxable sales, and the amount of the taxable sales, and the
15 tax payable thereon. The return shall also show the amount of
16 liquor by gallonage and dollar volume in each liquor category
17 defined in section 244D-1 and taxed under section 244D-4(a) used
18 during the preceding month which is subject to tax, and the tax
19 payable thereon. The form of return shall be prescribed by the
20 department and shall contain such information as it may deem
21 necessary for the proper administration of this chapter."



1 SECTION 7. Section 245-5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§245-5 Returns. Every wholesaler or dealer, on or before
4 the [~~twentieth~~] last day of each month, shall file with the
5 department a return showing the cigarettes and tobacco products
6 sold, possessed, or used by the wholesaler or dealer during the
7 preceding calendar month and of the taxes chargeable against the
8 taxpayer in accordance with this chapter. The form of the
9 return shall be prescribed by the department and shall include:

- 10 (1) A separate statement of the number and wholesale price
11 of cigarettes;
- 12 (2) The amount of stamps purchased and used;
- 13 (3) The wholesale price of tobacco products, sold,
14 possessed, or used; and
- 15 (4) Any other information that the department may deem
16 necessary[7] for the proper administration of this
17 chapter."

18 SECTION 8. Section 245-28, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "§245-28 Time for payment of deferred-payment purchases;
21 manner of payment. Amounts owing for stamps purchased on the
22 deferred-payment basis in any calendar month shall be due and



1 payable on or before the [~~twentieth~~] last day of the following
2 calendar month. Payment shall be made by a remittance payable
3 to the department."

4 SECTION 9. Section 245-31, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§245-31 Monthly report on distributions of cigarettes and**
7 **tobacco products, and purchases of stamps.** (a) On or before
8 the [~~twentieth~~] last day of each month, every licensee shall
9 file on forms prescribed by the department:

10 (1) A report of the licensee's distributions of cigarettes
11 and purchases of stamps during the preceding month;
12 and

13 (2) Any other information that the department may require
14 to carry out this part.

15 (b) On or before the [~~twentieth~~] last day of each month,
16 every licensee shall file on forms prescribed by the department:

17 (1) A report of the licensee's distributions of tobacco
18 products and the wholesale costs of tobacco products
19 during the preceding month; and

20 (2) Any other information that the department may require
21 to carry out this part."



1 SECTION 10. Section 251-4, Hawaii Revised Statutes, is
2 amended by amending subsections (a) and (b) to read as follows:

3 "(a) On or before the [~~twentieth~~] last day of each
4 calendar month, every person taxable under this chapter during
5 the preceding calendar month shall file a sworn return with the
6 director in such form as the director shall prescribe together
7 with a remittance for the amount of the surcharge tax in the
8 form required by section 251-5. Sections 237-30 and 237-32
9 shall apply to returns and penalties made under this chapter to
10 the same extent as if the sections were set forth specifically
11 in this section.

12 (b) Notwithstanding subsection (a), the director, for good
13 cause, may permit a person to file the person's return required
14 under this section and make payments thereon:

15 (1) On a quarterly basis during the calendar or fiscal
16 year, the return and payment to be made on or before
17 the [~~twentieth~~] last day of the calendar month after
18 the close of each quarter, to wit: for calendar year
19 taxpayers, on or before April [~~20~~] 30, July [~~20~~] 31,
20 October [~~20~~] 31, and January [~~20~~] 31 or, for fiscal
21 year taxpayers, on or before the [~~twentieth~~] last day
22 of the fourth month, seventh month, and tenth month



1 following the beginning of the fiscal year and on or
2 before the [~~twentieth~~] last day of the month following
3 the close of the fiscal year; provided that the
4 director is satisfied that the grant of the permit
5 will not unduly jeopardize the collection of the
6 surcharge taxes due thereon and that the person's
7 total surcharge tax liability for the calendar or
8 fiscal year under this chapter will not exceed \$4,000;
9 or

10 (2) On a semiannual basis during the calendar or fiscal
11 year, the return and payment to be made by or before
12 the [~~twentieth~~] last day of the calendar month after
13 the close of each six-month period, to wit: for
14 calendar year taxpayers, on July [~~20~~] 31 and January
15 [~~20~~] 31 or, for fiscal year taxpayers, on or before
16 the [~~twentieth~~] last day of the seventh month
17 following the beginning of the fiscal year and on or
18 before the [~~twentieth~~] last day of the month following
19 the close of the fiscal year; provided that the
20 director is satisfied that the grant of the permit
21 will not unduly jeopardize the collection of the
22 surcharge taxes due thereon and that the person's



1 total surcharge tax liability for the calendar or
2 fiscal year under this chapter will not exceed \$2,000.

3 The director, for good cause, may permit a person to make
4 monthly payments based on the person's estimated quarterly or
5 semiannual liability; provided that the person files a
6 reconciliation return at the end of each quarter or at the end
7 of each six-month period during the calendar or fiscal year, as
8 provided in this section."

9 SECTION 11. Section 431:7-201, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§431:7-201 Annual and monthly quarterly tax**
12 **statements.** (a) Each authorized insurer shall file with the
13 commissioner annually, on or before March 1 in each year, a
14 statement signed by a duly authorized person on its behalf,
15 setting forth the total business transacted, and the amount of
16 gross premiums reported by the insurer, pursuant to section
17 431:7-202, during the year ending on the preceding December 31,
18 from all risks or property resident, situated, or located within
19 this State, together with such other information as may be
20 required by the commissioner to determine the taxability of
21 premiums. The term "gross premiums" as used in this part shall
22 not include consideration paid for annuities.



1 (b) Each authorized insurer shall file with the
2 commissioner [~~monthly~~] quarterly, on or before the [~~twentieth~~]
3 last day of the calendar month following the [~~month in which the~~
4 ~~taxes accrue~~] quarter, a statement signed by a duly authorized
5 person on its behalf, setting forth the total business
6 transacted and the amount of gross premiums reported by the
7 insurer, pursuant to section 431:7-202, during the [~~month~~]
8 quarter from all risks or property resident, situated, or
9 located within this State, together with other information as
10 may be required by the commissioner to determine the taxability
11 of premiums.

12 (c) Any insurer failing or refusing to file the annual tax
13 statement on or before March 1, or the [~~monthly~~] quarterly
14 statement on or before the [~~twentieth~~] last day of the calendar
15 month following the [~~month in which the taxes accrue~~] quarter,
16 shall be liable for a fine in an amount not less than \$100 and
17 not more than \$500 for each day of delinquency."

18 SECTION 12. Section 431:7-202, Hawaii Revised Statutes, is
19 amended by amending subsection (f) to read as follows:

20 "(f) The taxes imposed by subsections (a), (b), (c), and
21 (d) shall be paid [~~monthly~~] quarterly. The [~~monthly~~] quarterly
22 tax shall be due and payable on or before the [~~twentieth~~] last



1 day of the calendar month following the [~~month~~] quarter in which
2 it accrues, coinciding with the filing of the statement provided
3 for in section 431:7-201.

4 In addition to the [~~monthly~~] quarterly tax and [~~monthly~~]
5 quarterly tax statement, the annual tax shall be due and payable
6 on or before March 1 coinciding with the filing of the statement
7 provided for in section 431:7-201.

8 All amounts paid under this subsection, other than fines,
9 shall be allowed as a credit on the annual tax imposed by
10 subsections (a), (b), (c), and (d).

11 If the total amount of installment payments for any
12 calendar year exceeds the amount of annual tax for that year,
13 the excess shall be treated as an overpayment of the annual tax
14 and be allowed as a refund under section 431:7-203.

15 Any insurer failing or refusing to pay the required taxes
16 above stated when due and payable shall be liable for a fine of
17 \$500 or ten per cent of the tax due, whichever is greater; plus
18 interest at a rate of twelve per cent per annum on the
19 delinquent taxes. The taxes may be collected by distraint, or
20 the taxes, fine, and interest may be recovered by an action to
21 be instituted by the commissioner in the name of this State, in
22 any court of competent jurisdiction. The commissioner may



1 suspend the certificate of authority of the delinquent insurer
2 until the taxes, fine, and interest, should any be imposed, are
3 fully paid."

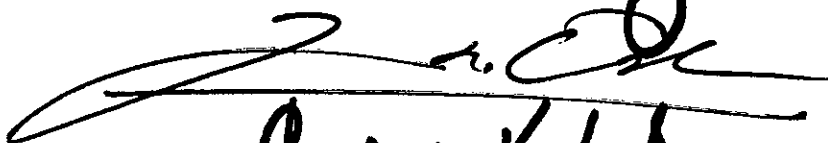
4 SECTION 13. This Act does not affect rights and duties
5 that matured, penalties that were incurred, and proceedings that
6 were begun before its effective date.

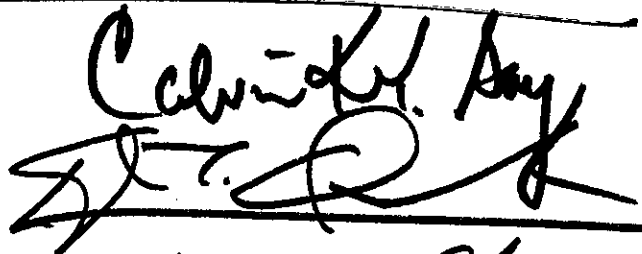
7 SECTION 14. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

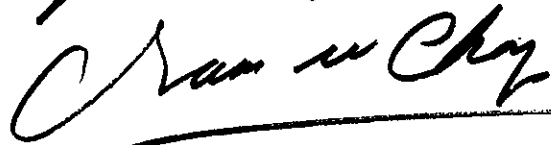
9 SECTION 15. This Act shall take effect on July 1, 2014.

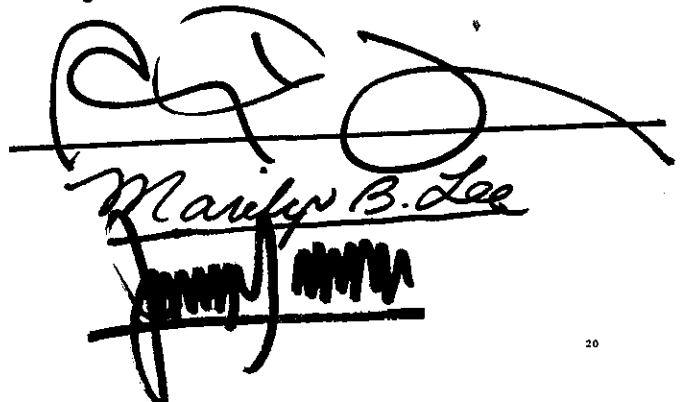
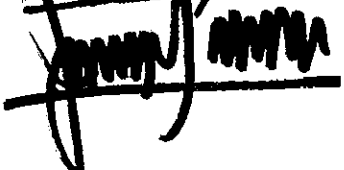
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INTRODUCED BY: 









Report Title:

Tax Administration; Tax Due Dates

Description:

Amends the general excise tax payment deadline from the twentieth day of the month to the last day of the month. Amends the due dates for miscellaneous tax types from the twentieth day of the month to the last day of the month to conform with the general excise tax payment deadline. Amends the due date for filing and payment of monthly periodic insurance premiums taxes from monthly to quarterly. Effective July 1, 2014.

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

