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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 231-9.9, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§231-9.9 [Filing and payment] Payment of taxes by**  
4 **electronic funds transfer.** (a) The director of taxation is  
5 authorized to require every person whose tax liability for any  
6 one taxable year exceeds \$100,000 and who files a tax return for  
7 any tax, including consolidated filers, to remit taxes by one of  
8 the means of electronic funds transfer approved by the  
9 department; provided that for withholding taxes under section  
10 235-62, electronic funds transfers shall apply to annual tax  
11 liabilities that exceed \$40,000. [~~Notwithstanding the tax~~  
12 ~~liability thresholds in this subsection, the director of~~  
13 ~~taxation is authorized to require any person who is required to~~  
14 ~~electronically file a federal return or electronically remit any~~  
15 ~~federal taxes to the federal government, to electronically file~~  
16 ~~a state return and electronically remit any state taxes under~~  
17 ~~title 14 to the department. The director is authorized to grant~~



1 ~~an exemption to the electronic filing and payment requirements~~  
2 ~~for good cause.]~~

3 (b) Any person who files a tax return for any tax and is  
4 not required by subsection (a) to remit taxes by means of  
5 electronic funds transfer may elect to remit taxes by one of the  
6 means of electronic funds transfer approved by the department  
7 with the approval of the director of taxation.

8 (c) If a person who is required under subsection (a) to  
9 ~~[file a return electronically or]~~ remit taxes by one of the  
10 means of electronic funds transfer approved by the department  
11 fails to ~~[file electronically or to]~~ remit the taxes using an  
12 approved method on or before the date prescribed therefor,  
13 unless it is shown that the failure is due to reasonable cause  
14 and not to neglect, there shall be added to the tax required to  
15 be so remitted a penalty of two per cent of the amount of the  
16 tax. The penalty under this subsection is in addition to any  
17 penalty set forth in section 231-39.

18 (d) No later than twenty days prior to the convening of  
19 each regular session, the department shall submit a report to  
20 the legislature containing:

21 (1) The number of taxpayers who were assessed the two per  
22 cent penalty pursuant to subsection (c);



- 1           (2) The amounts of each assessment; and  
2           (3) The total amount of assessments collected for the  
3           previous year."

4           SECTION 2. Section 235-62, Hawaii Revised Statutes, is  
5 amended by amending subsection (c) to read as follows:

6           "(c) Every return required under this section shall be  
7 accompanied by a remission of the complete amount of tax  
8 withheld, as reported in the return; provided that each employer  
9 whose liability for taxes withheld exceeds \$40,000 annually  
10 shall remit the complete amount of tax withheld on a semi-weekly  
11 schedule. [~~Notwithstanding the tax liability threshold in this  
12 subsection, the director of taxation is authorized to require  
13 any employer who is required to remit any withheld taxes to the  
14 federal government on a semi-weekly schedule, to remit the  
15 complete amount of tax withheld to the department on a semi-  
16 weekly schedule. The director of taxation may grant an  
17 exemption to the requirement to remit the complete amount of tax  
18 withheld on a semi-weekly schedule for good cause.]"~~

19           SECTION 3. Section 237-30, Hawaii Revised Statutes, is  
20 amended by amending subsections (a) and (b) to read as follows:

21           "(a) The taxes levied hereunder shall be payable in  
22 monthly installments on or before the [~~twentieth~~] last day of



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

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

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



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

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



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

7           SECTION 4. Section 237D-6, Hawaii Revised Statutes, is  
8 amended by amending subsections (a) and (b) to read as follows:

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

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



- 1           (1) On a quarterly basis during the calendar or fiscal  
2           year, the return and payment to be made on or before  
3           the [~~twentieth~~] last day of the calendar month after  
4           the close of each quarter, to wit: for calendar year  
5           taxpayers, on or before April [~~20,~~] 30, July [~~20,~~] 31,  
6           October [~~20,~~] 31, and January [~~20~~] 31 or, for fiscal  
7           year taxpayers, on or before the [~~twentieth~~] last day  
8           of the fourth month, seventh month, and tenth month  
9           following the beginning of the fiscal year and on or  
10          before the [~~twentieth~~] last day of the month following  
11          the close of the fiscal year; provided that the  
12          director is satisfied that the grant of the permit  
13          will not unduly jeopardize the collection of the taxes  
14          due thereon and the taxpayer's total tax liability for  
15          the calendar or fiscal year under this chapter will  
16          not exceed \$4,000; or
- 17          (2) On a semiannual basis during the calendar or fiscal  
18          year, the return and payment to be made by or before  
19          the [~~twentieth~~] last day of the calendar month after  
20          the close of each six-month period, to wit: for  
21          calendar year taxpayers, on July [~~20~~] 31 and January  
22          [~~20~~] 31 or, for fiscal year taxpayers, on or before



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

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

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

18           "(a) On or before the [~~twentieth~~] last day of each  
19           calendar month, any person who has become liable for the payment  
20           of a tax under this chapter during the preceding calendar month  
21           in respect of any property, services, or contracting, or the use  
22           thereof, shall file a return with the assessor of the taxation





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

19 (b) Notwithstanding subsection (a), a taxpayer may be  
20 eligible to file the taxpayer's return required under this  
21 section and make payments thereon on a quarterly or semiannual  
22 basis during the calendar or fiscal year, the return and payment



1 to be made on or before the [~~twentieth~~] last day of the calendar  
2 month after the close of each quarter or semiannual period, to  
3 wit:

4 (1) For calendar year taxpayers filing on a quarterly  
5 basis, on or before April [~~20~~] 30, July [~~20~~] 31,  
6 October [~~20~~] 31, and January [~~20~~] 31;

7 (2) For calendar year taxpayers filing on a semiannual  
8 basis, on or before July [~~20~~] 31, and January [~~20~~]  
9 31;

10 (3) For fiscal year taxpayers filing on a quarterly basis,  
11 on or before the [~~twentieth~~] last day of the fourth  
12 month, seventh month, and tenth month following the  
13 beginning of the fiscal year and on or before the  
14 [~~twentieth~~] last day of the month following the close  
15 of the fiscal year; or

16 (4) For fiscal year taxpayers filing on a semiannual  
17 basis, on or before the [~~twentieth~~] last day of the  
18 seventh month following the beginning of the fiscal  
19 year and on or before the [~~twentieth~~] last day of the  
20 month following the close of the fiscal year;

21 if the taxpayer possesses a valid and current permit to file the  
22 taxpayer's general excise tax return and to make payments



1 thereon on a quarterly or semiannual basis issued by the  
2 director pursuant to section 237-30. A taxpayer may also be  
3 eligible to make monthly payments based on the taxpayer's  
4 estimated quarterly or semiannual liability with a  
5 reconciliation return at the end of each quarter or semiannual  
6 period during the calendar or fiscal year, as heretofore  
7 provided, if the taxpayer possesses a valid and current permit  
8 to file quarterly or semiannual reconciliation general excise  
9 tax returns and to make monthly payments, issued by the director  
10 pursuant to section 237-30."

11 SECTION 6. Section 243-10, Hawaii Revised Statutes, is  
12 amended to read as follows:

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



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



1           and the sale, use, or other disposition, of diesel oil  
2           by the distributor or person during the month, as the  
3           department of taxation by rule shall prescribe.

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



1 payable for any month shall be delinquent after the expiration  
2 of the [~~twentieth~~] last day of the following month.

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

6 SECTION 7. Section 244D-6, Hawaii Revised Statutes, is  
7 amended to read as follows:

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



1 department and shall contain such information as it may deem  
2 necessary for the proper administration of this chapter."

3 SECTION 8. Section 245-5, Hawaii Revised Statutes, is  
4 amended to read as follows:

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

12 (1) A separate statement of the number and wholesale price  
13 of cigarettes;

14 (2) The amount of stamps purchased and used;

15 (3) The wholesale price of tobacco products, sold,  
16 possessed, or used; and

17 (4) Any other information that the department may deem  
18 necessary, for the proper administration of this chapter."

19 SECTION 9. Section 245-28, Hawaii Revised Statutes, is  
20 amended to read as follows:

21 "**§245-28 Time for payment of deferred-payment purchases;**  
22 **manner of payment.** Amounts owing for stamps purchased on the



1 deferred-payment basis in any calendar month shall be due and  
2 payable on or before the [~~twentieth~~] last day of the following  
3 calendar month. Payment shall be made by a remittance payable  
4 to the department."

5 SECTION 10. Section 245-31, 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 month,  
8 every licensee shall file on forms prescribed by the department:

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

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

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

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

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

21 SECTION 11. Section 251-4, Hawaii Revised Statutes, is  
22 amended by amending subsections (a) and (b) to read as follows:





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

10           (b) Notwithstanding subsection (a), the director, for good  
11 cause, may permit a person to file the person's return required  
12 under this section and make payments 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  
4 surcharge taxes due thereon and that the person's  
5 total surcharge tax liability for the calendar or  
6 fiscal year under this chapter will not exceed \$4,000;  
7 or

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



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

7           SECTION 12. Section 431:7-201, Hawaii Revised Statutes, is  
8 amended to read as follows:

9           "**§431:7-201 Annual and quarterly tax**  
10 **statements.** (a) Each authorized insurer shall file with the  
11 commissioner annually, on or before March 1 in each year, a  
12 statement signed by a duly authorized person on its behalf,  
13 setting forth the total business transacted, and the amount of  
14 gross premiums reported by the insurer, pursuant to section  
15 431:7-202, during the year ending on the preceding December 31,  
16 from all risks or property resident, situated, or located within  
17 this State, together with such other information as may be  
18 required by the commissioner to determine the taxability of  
19 premiums. The term "gross premiums" as used in this part shall  
20 not include consideration paid for annuities.

21           (b) Each authorized insurer shall file with the  
22 commissioner [~~monthly,~~] quarterly, on or before the [~~twentieth~~]



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

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

16 SECTION 13. Section 431:7-202, Hawaii Revised Statutes, is  
17 amended by amending subsection (f) to read as follows:

18 "(f) The taxes imposed by subsections (a), (b), (c), and  
19 (d) shall be paid [~~monthly-~~] quarterly. The [~~monthly~~] quarterly  
20 tax shall be due and payable on or before the [~~twentieth~~] last  
21 day of the calendar month following the [~~month~~] quarter in which



1 it accrues, coinciding with the filing of the statement provided  
2 for in section 431:7-201.

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

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

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

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



1 until the taxes, fine, and interest, should any be imposed, are  
2 fully paid."

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

5 SECTION 15. This Act shall take effect upon its approval,  
6 and shall apply to taxable years beginning after December 31,  
7 2013.

8

INTRODUCED BY: \_\_\_\_\_

*Paul Cho*  
*[Signature]*  
*[Signature]*  
*[Signature]*  
*Calvin K. Song*

JAN 24 2011



**Report Title:**

Taxation; Filing Dates

**Description:**

Repeals the changes that were made to taxation filing dates in Act 196, Session Laws of 2009 and Act 22, Session Laws of 2010.

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

