

---

---

# 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 legislation to address the most pressing problems  
12 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 its recommendation to amend the  
15 distribution of partial payment of taxes to principal first,  
16 then to penalties, and then to interest.

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



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 Statutory material to be repealed is bracketed  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 on January 1, 2014.



**Report Title:**

Taxation; Partial Payment

**Description:**

Amends distribution of partial payment of taxes to principal first, then to penalties, and then interest. (SD1)

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

