

STAND. COM. REP. NO.

554

Honolulu, Hawaii

FEB 28 2013

RE: S.B. No. 350
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 350 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the date of filing for monthly, quarterly, and semiannual general excise tax returns from the twentieth day of the month to the last day of the month.

Your Committee received testimony in support of this measure from the Retail Merchants of Hawaii, Chamber of Commerce of Hawaii, Hawaii Business League, and two individuals.

Your Committee received testimony in opposition to this measure from the Department of Taxation and one individual.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that Act 196, Session Laws of Hawaii 2009, required the filing and payment of general excise taxes on the twentieth day of the month following the business activity to help address the State's revenue shortfall at that time. This change resulted in difficulties for many taxpayers who found the twenty-day period insufficient to reconcile financial records in time to meet the new deadline. Accordingly, your Committee finds that changing the filing and payment due date from the twentieth

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day of the month to the last day of the month would assist taxpayers in filing their general excise tax returns on a timely basis by providing additional days to gather the necessary financial information and documents.

Your Committee is aware that the Department of Taxation has concerns about the filing and payment due dates set forth in this measure and will continue to work with the Department to establish a date that the Department deems reasonable and will be most efficient for taxpayers.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to promote further discussion on the matter; and
- (2) Amending the starting applicable taxable year from July 1, 2013, to December 31, 2016.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 350, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 350	WAM	2-12-13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert				✓
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.				✓
SLOM, Sam	✓			
TOTAL	11	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes