
A BILL FOR AN ACT

RELATING TO ELECTRONIC FILING AND PAYMENT OF TAXES.

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

1 SECTION 1. Section 231-9.9, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:
3 "(a) The director of taxation is authorized to require
4 every person whose tax liability for any one taxable year
5 exceeds [~~\$100,000~~] \$25,000 and who files a tax return for any
6 tax, including consolidated filers, to remit taxes by one of the
7 means of electronic funds transfer approved by the department;
8 provided that for withholding taxes under section 235-62,
9 electronic funds transfers shall apply to annual tax liabilities
10 that exceed [~~\$40,000.~~] \$25,000. Notwithstanding the tax
11 liability thresholds in this subsection, the director of
12 taxation is authorized to require any person who is required to
13 electronically file a federal return or electronically remit any
14 federal taxes to the federal government, to electronically file
15 a state return and electronically remit any state taxes under
16 title 14 to the department. The director is authorized to grant
17 an exemption to the electronic filing and payment requirements
18 for good cause."

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1 SECTION 2. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 3. This Act, upon its approval, shall apply to
4 taxable years beginning after December 31, 2014.

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INTRODUCED BY: _____



BY REQUEST

JAN 21 2014

H.B. NO. 2341

Report Title:

Taxation; Electronic Filing and Payment of Taxes

Description:

Reduces the threshold amount for electronic fund transfers of taxes.

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JUSTIFICATION SHEET

DEPARTMENT: Taxation

TITLE: A BILL FOR AN ACT RELATING TO ELECTRONIC FILING AND PAYMENT OF TAXES.

PURPOSE: Lower the threshold dollar amount to require taxpayers whose tax liability exceeds \$25,000 in one year to transfer these amounts via electronic funds transfer.

MEANS: Amend section 231-9.9(a), Hawaii Revised Statutes.

JUSTIFICATION: The Department finds that the electronic transfer of funds is the most efficient and safe method of tax payment.

Impact on the public: The taxpayers who are required to transfer funds electronically will have certainty that their payments were sent and received by the Department.

Impact on the department and other agencies: Electronic funds transfer is the most efficient method of payment for the Department. Lowering the dollar threshold for electronic funds transfers will result in a greater number of taxpayers using this method of payment.

GENERAL FUND: Pending.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval. Applies to taxable years beginning after December 31, 2014.