

JAN 23 2014

A BILL FOR AN ACT

RELATING TO ELECTRONIC FILING OF TAX RETURNS.

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

1 SECTION 1. Section 231-8.5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 " ~~[§231-8.5]~~ **Electronic filing of tax returns.** (a)
4 The department may ~~[allow]~~ require filing by electronic,
5 telephonic, or optical means of any tax return, application,
6 report, or other document required under the provisions of title
7 14 administered by the department. The date of filing shall be
8 the date the tax return, application, report, or other document
9 is transmitted to the department in a form and manner prescribed
10 by departmental rules adopted pursuant to chapter 91. The
11 department may determine alternative methods for the signing,
12 subscribing, or verifying of a tax return, application, report,
13 or other document that shall have the same validity and
14 consequences as the actual signing by the taxpayer. A filing
15 under this section shall be treated in the same manner as a
16 filing subject to the penalties under section 231-39.

17 (b) If a taxpayer who is required under subsection (a) to
18 file a return electronically on or before the date prescribed

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1 therefor, unless it is shown that the failure is due to
2 reasonable cause and not to neglect, there shall be added to the
3 tax required to be so remitted a penalty of two per cent of the
4 amount of the tax. The penalty under this subsection is in
5 addition to any penalty set forth in title 14."

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 Statutory material to be repealed is bracketed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

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

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INTRODUCED BY: Anne Mowbray K.

BY REQUEST

Report Title:

Taxation; Electronic Filing of Tax Returns

Description:

Allows the Department of Taxation to require the electronic filing of tax returns.

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

JUSTIFICATION SHEET

DEPARTMENT: Taxation

TITLE: A BILL FOR AN ACT RELATING TO ELECTRONIC FILING OF TAX RETURNS.

PURPOSE: Clarifies that the Department may require the electronic filing of tax returns.

MEANS: Amend section 231-8.5, Hawaii Revised Statutes (HRS).

JUSTIFICATION: The Department has commenced the process of acquiring a completely new computer system. With the new computer system the most efficient method of receiving tax returns is via electronic transmission.

Impact on the public: The public will benefit from the electronic filing of tax returns because of the ease of preparing the returns and the certainty that the returns were received by the Department.

Impact on the department and other agencies: The electronic receipt of tax returns is the most efficient method for the Department. Paper returns require significantly more resources to process.

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.