

STAND. COM. REP. NO. 3293

Honolulu, Hawaii

APR 03 2014

RE: H.B. No. 1848
H.D. 1
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1848, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to require all general excise tax monthly returns to be filed electronically, beginning January 1, 2015.

The measure also authorizes the Director of Taxation to assess an administrative fee on a monthly return that is filed manually.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii. The Department of Taxation, the State of Hawaii Disability and Communication Access Board, the Tax Foundation of Hawaii, and one individual provided comments on the measure.

Your Committee finds that the most efficient method of receiving tax returns is via electronic transmission, which requires significantly less resources to process than paper returns. Your Committee believes that this measure will help ensure prompt payment of general excise taxes due to the Department of Taxation.

Your Committee has amended this measure by:

HB1848 SD1 SSCR LRB 14-2285-1.doc



- (1) Requiring monthly filers to also electronically file their annual returns;
- (2) Authorizing the Department of Taxation to waive the administrative fee for good cause shown, including disability-related causes;
- (3) Allowing taxpayers to sign documents electronically;
- (4) Reducing the threshold amount for mandatory electronic payment of taxes from \$100,000 of tax liability per taxable year to \$25,000 of tax liability per taxable year; and
- (5) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

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 H.B. No. 1848, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1848, H.D. 1, 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

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.:* HB 1848, HD1	Committee Referral: WAM	Date: 3-28-14		
<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	✓			
12	0	0		1
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