

Honolulu, Hawaii  
**FEBRUARY 27**, 2014

RE: H.B. No. 2342  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2342 entitled:

"A BILL FOR AN ACT RELATING TO ELECTRONIC FILING OF TAX RETURNS,"

begs leave to report as follows:

The purpose of this measure is to authorize the Department of Taxation to require the electronic filing of tax returns, including by assessing a two percent penalty of total tax owed, for noncompliance.

The Department of Taxation supported this measure. The Tax Foundation of Hawaii and Hawaii Appleseed Center for Law and Economic Justice provided comments.

Your Committee notes that vendors often charge a processing fee for transactions. Your Committee further notes that discussion was raised as to how this charge may or should apply to taxpayers filing electronically.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2342, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2342, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



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SYLVIA LUKE, Chair



