
A BILL FOR AN ACT

RELATING TO TAX ADJUSTMENTS.

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

1 SECTION 1. Section 235-101, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:
3 "(b) It shall be the duty of every person who is required
4 by section 235-92 to make a return, to report to the department,
5 as to any taxable year governed by this chapter, if (1) the
6 amount of taxable income as returned to the United States is
7 changed, corrected, or adjusted by an officer of the United
8 States or other competent authority, or (2) a change in taxable
9 income results from a renegotiation of a contract with the
10 United States or a subcontract thereunder, or (3) a
11 recomputation of the income tax imposed by the United States
12 under the Internal Revenue Code results from any cause, or (4)
13 ~~[an]~~ a timely amended income tax return is ~~[made to]~~ filed with
14 and accepted by the United States. The report shall be made
15 within ninety days after the change, correction, adjustment, or
16 recomputation is finally determined or the amended return is
17 filed, as the case may be. The report required by this
18 subsection shall be made in the form of an amendment of the



1 person's return filed under this chapter. The amended return
2 shall be accompanied by a copy of the document issued by the
3 United States under (1) to (3). The statutory period for the
4 assessment of any deficiency or the determination of any refund
5 attributable to ~~[this report]~~ the change in federal income,
6 attributes from which tax is computed, such as basis, or tax
7 shall not expire before the expiration of one year from the date
8 the department is notified by the taxpayer or the Internal
9 Revenue Service, whichever is earlier, of such a report in
10 writing. Before the expiration of this one-year period, the
11 department and the taxpayer may agree in writing to the
12 extension of this period. The period so agreed upon may be
13 further extended by subsequent agreements in writing made before
14 the expiration of the period previously agreed upon."

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 Statutory material to be repealed is bracketed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

17 SECTION 3. This Act shall take effect upon its approval.



Report Title:

Taxes; Income Tax Refunds

Description:

Amends section 235-101, HRS, to specify that the untimely filing of an amended federal income tax return does not reopen the Hawaii statute of limitations for claiming a tax refund. (SD1)

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