

STAND. COM. REP. NO.

2185

Honolulu, Hawaii

FEB 12 2016

RE: S.B. No. 2655
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 2655 entitled:

"A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX
COLLECTION DATE,"

begs leave to report as follows:

The purpose and intent of this measure is to require the filing of monthly, quarterly, and semiannual general excise tax returns on the last day of the respective applicable month, rather than the twentieth day of the month, applicable to returns and payments due on or after January 1, 2017.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and The Hawaii Business League.

Your Committee finds that since the inception of the general excise tax, the periodic returns required by the tax system had been due on the last day of the month following the end of the tax period. However, Act 196, Session Laws of Hawaii of 2009, accelerated the filing and payment of general excise taxes and thus currently requires general excise tax returns to be filed on the twentieth day of the applicable month. Taxpayers do not always have all the information necessary to file an accurate general excise tax return by the twentieth day of the month and often need additional information that is typically available by the last day of the month. Implementation of this measure will



return the due date for general excise tax returns to the last day of the applicable month and provided better assurance that taxpayers have sufficient time to gather the information necessary to file accurate general excise tax returns.

Your Committee has amended this measure by:

- (1) Inserting language to require the filing of annual general excise tax returns on the last day of the respective applicable month, rather than the twentieth day of the month, applicable to returns and payments due on or after January 1, 2017; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2655, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2655, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,



DONNA MERCADO KIM, Chair



