

JAN 20 2017

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Chapter 231, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§231- Information reporting. (a) Each retailer or
5 vendor making sales of tangible personal property from a place
6 of business outside the State for use in the State that is not
7 required to pay or collect general excise or use tax shall send
8 notification to all purchasers in the State by January 31 of
9 each year. The notification shall include, if available:

10 (1) Dates of purchases;

11 (2) Amounts of each purchase; and

12 (3) Category of the purchase, including, if known by the
13 retailer or vendor, whether the purchase is exempt or
14 not exempt from taxation;

15 provided that the notification shall state that the State

16 requires a use tax return to be filed and use tax paid on



1 certain purchases made by a purchaser in the State from the out-
2 of-state retailer or vendor.

3 (b) The notification pursuant to subsection (a) shall be
4 sent separately to all purchasers by first-class mail and shall
5 not be included with any other shipments. The notification
6 shall include the words "Important Tax Document Enclosed" on the
7 exterior of the mailing.

8 (c) Each retailer or vendor subject to this section shall
9 file an annual statement showing the total amount paid for
10 purchases by purchasers during the preceding calendar year or
11 any portion thereof for each purchaser to the department on such
12 forms as are provided or approved by the department, and such
13 annual statement shall be filed on or before March 1 of each
14 year.

15 (d) The director of taxation may require any retailer or
16 vendor subject to this section that makes more than \$100,000 in
17 total sales in the State in a year to file the annual statement
18 pursuant to subsection (c) by magnetic media or another machine-
19 readable form for that year.

20 (e) Failure to send notification to purchasers pursuant to
21 this section shall subject the retailer or vendor to a penalty



1 of \$10 for each such failure, unless the retailer or vendor
2 shows reasonable cause for such failure.

3 (f) Failure to file the annual statement required pursuant
4 to this section shall subject the retailer or vendor to a
5 penalty of \$10 for each purchaser that should have been included
6 in such annual statement, unless the retailer shows reasonable
7 cause for such failure."

8 SECTION 2. New statutory material is underscored.

9 SECTION 3. This Act shall take effect on July 1, 2017, and
10 apply to taxable years beginning after December 31, 2016.

11

INTRODUCED BY: 




S.B. NO. 161

Report Title:

Taxation; Sales; Out-of-State Retailers or Vendors;
Notification; Reporting

Description:

Requires retailers or vendors that are not located in the State and not required to pay or collect general excise or use tax for sales to send certain information to purchasers in the State. Requires retailers or vendors to submit an annual report to the department of taxation.

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

