

LATE

TO: Members of the Committee on Ways and Means

FROM: Natalie Iwasa, CPA, CFE
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HEARING: 9:30 a.m. Tuesday, February 7, 2017

SUBJECT: SB 1003, Electronic Filing of Tax Returns - **Comments**

Aloha Chair and Committee Members,

Thank you for allowing me the opportunity to provide testimony on SB 1003, which would require electronic filing of tax returns under Title 14. Such returns include income, GET, TAT, PUC and fuel.

Before you require returns to be electronically filed (with some unknown exceptions to be set up at a later date), please keep the following in mind:

- Tax preparers should be allowed to print draft copies of returns, so they can send them (encrypted) to clients for approval; and
- Allow for payment of applicable taxes as a function separate from the e-filing.

You may be aware the state is in the process of updating its tax system. The new system allows tax preparers to have access to certain tax information as well as to prepare returns on behalf of clients. Currently, however, it is difficult, in my experience, to set up accounts. For example, even though I had the correct amount for a recent tax payment, I was not allowed to set up a client's account. I understand the DoTAX is still working on these issues, but they should be fixed before e-filing is made mandatory.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 1:20 PM
To: WAM Testimony
Cc: lkakatsu@hawaii.rr.com
Subject: Submitted testimony for SB1003 on Feb 7, 2017 09:30AM

SB1003

Submitted on: 2/7/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Lynn Murakami-Akatsuka	Individual	Oppose	No

Comments: I strongly oppose SB 1003 to require (mandatory) filing by electronic of tax returns as well as the penalty of two percent of the amount of the tax if the tax return is not filed electronically. There is an assumption in this bill that all individuals have access to a computer, know how to use tax prep software, or goes to a tax preparer. Individuals (low income, disabled, or elders on a fixed income) may not have the means to hire a tax preparer to process their tax return. I have elderly relatives and friends that still request hard copies of the tax returns from the state and federal offices. I am sure that the Tax Department would want to have these law abiding citizens to still file their taxes by the deadline and not be penalized as they do not have access or know how to use the computer as well as lack of monetary means to afford a tax preparer due to their income level. SB 1003 is not a good bill to pass and I strongly oppose it. Thank you for the opportunity to testify.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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