STAND. COM. REP. NO. **232**

Honolulu, Hawaii

MAR 23 ' 2021

S.B. No. 1196 RE: S.D. 2

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred S.B. No. 1196, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO WITHHOLDING TAX,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Amend the due date for employers to file the wage and tax statement from the last day of February to January 31 following the close of the calendar year; and
- Impose a penalty on employers that fail to timely furnish and file the wage and tax statement.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that under existing state law, there is no penalty if an employer fails to furnish an employee with their wage and tax statement (Form W-2) or fails to file a copy of Form W-2 with the Department of Taxation. This measure would encourage further compliance with the requirements of state tax law.

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As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1196, S.D. 2, and recommends that it pass Second Reading and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Economic Development,

SEAN QUINLAN, Chair

State of Hawaii House of Representatives The Thirty-first Legislature

Record of Votes of the Committee on Economic Development

	Referral:	Date:	317/	2021
θ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) θ Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. QUINLAN, Sean (C)	J			10 to 10
2. HOLT, Daniel (VC)				
3. BELATTI, Della Au				
4. KOBAYASHI, Dale T.	J	*** - * *** - * * * * * * * * * * * * *		
5. ONISHI, Richard H.K.				
6. SAYAMA, Jackson D.	J			
7. TAKAYAMA, Gregg				
8 OVIMOTO Val				
8. OKIMOTO, Val				
			 -	-
TOTAL (8)	7	0	D	1
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				