

STAND. COM. REP. NO.

1232

Honolulu, Hawaii

MAR 23, 2021

RE: S.B. No. 1196
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
- (2) 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.

2021-2503 SB1196 SD2 HSCR HMSO



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



