

ACT 18

S.B. NO. 2966

A Bill for an Act Relating to Income Tax Refunds.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 235-111, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Limitations on credit or refund. Claim for credit or refund of an overpayment of any tax imposed by this chapter shall be filed by the taxpayer or employer within three years from the time the return was filed or from the due date prescribed for the filing of the return, or within two years from the time the tax was paid, whichever is later. [No credit or refund shall be allowed or made after three years from the due date of the return unless a claim for credit or refund is filed by the taxpayer or employer within that time.] For the purposes of this section, taxes paid before the due date of the return shall be deemed to have been paid on the due date of the return determined without regard to any extensions.

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- (1) If the claim was filed by the taxpayer during the three-year period prescribed in this subsection, the amount of the credit or refund shall not exceed the portion of the tax paid within the period, immediately preceding the filing of the claim, equal to three years plus the period of any extension of time for filing the return.
- (2) If the claim was not filed within the three-year period, the amount of the credit or refund shall not exceed the portion of the tax paid during the two years immediately preceding the filing of the claim.
- (3) If no claim was filed, the credit or refund shall not exceed the amount which would be allowable under paragraph (1) or (2), as the case may be, if the claim was filed on the date the credit or refund is allowed."

SECTION 2. Statutory material to be repealed is bracketed.

SECTION 3. This Act shall take effect upon its approval and shall apply to credits or refunds claimed or made after December 31, 1993.

(Approved April 15, 1994.)