
A BILL FOR AN ACT

RELATING TO ELECTRONIC FILING OF TAX RETURNS.

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

1 SECTION 1. The increased use of computers for personal
2 purposes and in daily business operations has led to an increase
3 in electronic and computer-based interactions with government.
4 The department of taxation interacts with nearly every person in
5 Hawaii on a regular basis. The department of taxation also
6 regularly interacts with nonresident taxpayers and mainland-
7 based businesses that routinely file tax information.

8 In response to the increase in interactions with
9 out-of-state taxpayers and the increase in electronic tax
10 filings, the legislature, in 1997, made electronic filing an
11 acceptable means of carrying out a taxpayer's obligations under
12 the law. Since this law was enacted, the ability to interact
13 electronically has grown considerably, especially for
14 businesses, nearly all of which have a computer and access to
15 the Internet.

16 The purpose of this Act is to authorize the department of
17 taxation, by rule, to allow electronic filing of certain tax
18 returns. This Act is a natural progression of how a majority,



1 if not all, tax filings are predicted to be made in the next
2 decade and beyond. This Act ensures that taxpayers will be
3 provided with sufficient notice and an opportunity to comment by
4 requiring compliance with chapter 91, Hawaii Revised Statutes.

5 The legislature, which is charged with the responsibility
6 of overseeing the effectiveness of tax incentives and the
7 efficacy of the tax system as a whole, finds that it can be
8 provided with more specific data on Hawaii taxes if the tax data
9 is captured electronically.

10 SECTION 2. Section 231-8.5, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "[+]§231-8.5[+] **Electronic filing of tax returns.** The
13 department may allow, by rule, adopted pursuant to chapter 91,
14 filing by electronic, telephonic, or optical means of any tax
15 return, application, report, or other document required under
16 [the provisions of] title 14 administered by the department[-];
17 provided that a service fee shall not be required. The date of
18 filing shall be the date the tax return, application, report, or
19 other document is transmitted to the department in a form and
20 manner prescribed by departmental rules adopted pursuant to
21 chapter 91. The department [~~may~~] shall determine alternative
22 methods for the signing, subscribing, or verifying of a tax



1 return, application, report, or other document that shall have
2 the same validity and consequences as the actual signing by the
3 taxpayer. A filing under this section shall be treated in the
4 same manner as a filing subject to the penalties under section
5 231-39."

6 SECTION 3. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 4. This Act shall take effect on July 1, 2020.



Report Title:

Tax Returns; Electronic Filing

Description:

Authorizes the Department of Taxation to establish rules allowing the electronic, telephonic, or optical filing of tax returns under certain conditions, as long as a service fee is not required. (SB1504 HD1)

