

STAND. COM. REP. NO.

866

Honolulu, Hawaii

MAR 23 2011

RE: H.B. No. 1300
H.D. 2
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Economic Development and Technology, to which was referred H.B. No. 1300, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Department of Taxation, no later than July 1, 2013, to establish a system to allow taxpayers to file all tax returns, applications, reports, and other documents electronically; provided that there is no additional cost to the taxpayer for the electronic filing; and
- (2) Reestablish the filing and payment deadline for various taxes to the end of the month.

Your Committee received testimony in support of this measure from the Department of Taxation, The Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, and The Hawaii Business League. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee previously heard and amended S.B. No. 756, which contained comparable provisions. Your Committee has amended this measure by deleting its contents and replacing them with certain provisions in S.B. No. 756, S.D. 2, that relate to

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electronic filing, electronic payments, and the payment of taxes on the last day of the month. As amended, this measure:

- (1) Deletes July 1, 2013, as the starting date by which the Department of Taxation would have been required to establish a system to allow taxpayers to file all tax returns, applications, reports, and other documents electronically;
- (2) Changes from \$100,000 to an unspecified amount the threshold of tax liability above which a taxpayer shall be required to remit taxes by one of the means of electronic funds transfer;
- (3) Reestablishes the filing and payment deadline of various taxes, including but not limited to quarterly filing and the payment of periodic insurance premium taxes requirements to last day of the month by repealing Act 22, Session Laws of Hawaii 2010;
- (4) Changes the effective date from July 1, 2112, to July 1, 2050, to allow for further discussion; and
- (5) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1300, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1300, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

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

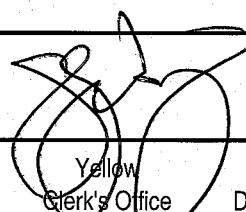


CAROL FUKUNAGA, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Economic Development and Technology
EDT

Bill / Resolution No.:*	Committee Referral:	Date:
HB1300 HDZ	EDT.WAM	3/21/11
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
FUKUNAGA, Carol (C)	✓	
WAKAI, Glenn (VC)	✓	
BAKER, Rosalyn H.	✓	
SOLOMON, Malama		✓
SLOM, Sam		✓
TOTAL	3	0
0	2	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: 		
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy		

*Only one measure per Record of Votes