

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 756
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 756, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to facilitate the electronic filing of taxes.

More specifically, this measure:

- (1) Establishes the integrated tax services and management special fund to receive revenues from the integrated tax services and management system's post-implementation revenue-generating initiatives;
- (2) Provides that moneys in the fund will be used to pay for the integrated tax services and management system;
- (3) Requires the Department of Taxation to establish a system to allow taxpayers to file all tax returns, applications, reports, and other documents electronically, telephonically, or by optical means, with no additional cost to the taxpayer;
- (4) Lowers the threshold for any taxpayer required to remit taxes by one of the means of electronic funds transfer from \$100,000 to \$50,000 in tax liability; and



- (5) Reestablishes the last day of the month, rather than the twentieth day of the month, as the deadline for filing and payment of miscellaneous taxes and quarterly filing and payment of periodic insurance premium taxes.

Your Committee received comments on this measure from Kalbert K. Young, Director Department of Budget and Finance; and the Tax Foundation of Hawaii.

Your Committee finds that this measure will provide the Department of Taxation with the resources necessary to further modernize its integrated tax services and management system and allow for expanded electronic tax filing capability.

Your Committee has amended this measure by:

- (1) Deleting the dollar amount of the threshold for a taxpayer to be required to remit taxes by electronic funds transfer and changing it to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 756, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 756, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

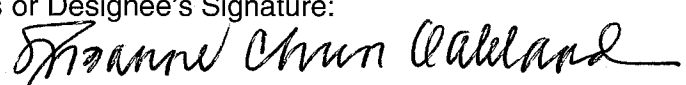


DAVID Y. IGE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 756 SD1	EDT, WAM	2/24/11		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)				✓
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado	✓			
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.				✓
RYAN, Pohai	✓			
TOKUDA, Jill N.	✓			
WAKAI, Glenn	✓			
SLOM, Sam			✓	
TOTAL	11	0	1	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