

STAND. COM. REP. NO.

1235

Honolulu, Hawaii

APR 08 2011

RE: H.B. No. 1300
H.D. 2
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 H.B. No. 1300, H.D. 2, 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 support the findings and recommendations of the small business discussion group convened in 2010 by the Senate Committee on Economic Development and Technology and the House of Representatives Committee on Economic Revitalization, Business, and Military Affairs.

Specifically, this measure:

- (1) 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;
- (2) Provides for electronic payment of general excise taxes for businesses; and
- (3) Reestablishes the filing and payment deadline of general excise taxes, including but not limited to quarterly filing requirements and the payment of periodic insurance premium taxes, to the last day of the month.



Your Committee received comments in support of this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; Frederick D. Pablo, Director of Taxation, Department of Taxation; The Chamber of Commerce of Hawaii; and Carol Pregill, President, Retail Merchants of Hawaii.


Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that allowing all tax documents to be filed electronically will benefit both the taxpayer and the State. Taxpayers will be able to file their tax documents and payments in a timely and cost-efficient manner that will reduce administrative costs to the State. Your Committee further finds that reestablishing the payment due date for general excise taxes to the last day of the month will remove an undue burden on Hawaii's businesses.

Your Committee has amended this measure by providing that, upon the repeal of Act 22, Session Laws of Hawaii 2010, the underlying provisions of the affected sections of law are reenacted. Your Committee believes that this amendment more effectively executes the reestablishment of the excise tax payment date to the last day of the month.

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 H.B. No. 1300, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1300, H.D. 2, S.D. 2.

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



DAVID Y. ICE, 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: | | |
| HB 1300, HD2, SD1 | EDT, WAM | 4-7-11 | | |
| <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 | | | | / |
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| | | | | |
| TOTAL | 11 | 0 | 0 | 3 |
| Recommendation: | | | | |
| <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: | | | | |
| <i>Michelle N. Kidani</i> | | | | |
| Distribution: | | | | |
| Original | Yellow | Pink | Goldenrod | |
| File with Committee Report | Clerk's Office | Drafting Agency | Committee File Copy | |

*Only one measure per Record of Votes