

TAXBILLSERVICE

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SUBJECT: GENERAL EXCISE, TRANSIENT ACCOMMODATIONS, USE, FUEL, LIQUOR, TOBACCO, TOUR VEHICLE SURCHARGE, INSURANCE PREMIUMS, Amend filing date; filing of tax returns

BILL NUMBER: HB 1980, HD-1

INTRODUCED BY: House Committee on Finance

BRIEF SUMMARY: Amends HRS section 237-30 providing that general excise tax returns be filed by the last day of the month following the period in which the general excise tax liability accrues rather than the 20th day of the month.

Amends HRS chapters 237D, 238, 243, 244D, 245, 251 and 431:7 to require an annual, monthly, quarterly, semiannual or other return that is due on the 20th day of the month to be filed by the last day of the respective month.

EFFECTIVE DATE: January 1, 2014; applicable to tax years beginning after December 31, 2013

STAFF COMMENTS: Act 196, SLH 2009, accelerated the filing and payment of general excise taxes to the 20th day rather than the last day of the month following the business activity. This was done to create a one-time cash infusion to the state. A return to the last day, rather than the 20th day of the month, will greatly assist taxpayers in filing their general excise tax returns on a timely basis. Therefore, the adoption of this provision is welcomed. It should be noted that the last day of the month or the tax period was the day that general excise tax returns were required to be filed since the inception of the general excise tax.

While Act 22, SLH 2010, requires taxpayers subject to sections 237D, 238, 243, 244D, 245, 251 and 431:7 to file annual, monthly, quarterly, or semiannual returns or any other return that is due on the 20th day of the month, this measure provides that the returns shall be filed by the last day of the month. If this measure is adopted, taxpayers should be given ample notice of the change in filing days before this act takes effect to insure compliance.

Digested 3/19/12



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Testimony to the Senate Committee on Ways and Means
Tuesday, March 20, 2012 at 9:00 a.m.
Conference Room 211
State Capitol
415 South Beretania Street

RE: House Bill 1980 HD1 – Relating to Taxation

Dear Chair Ige, Vice Chair Kidani and Members of the Committee,

My name is Vivian Landrum, and I am the President/CEO of the Kona-Kohala Chamber of Commerce (KKCC). KKCC represents over 520 business members and is the leading business advocacy organization on the west side of Hawai'i Island. KKCC also actively works to enhance the environment, unique lifestyle and quality of life in West Hawai'i for both residents and visitors alike.

The Kona-Kohala Chamber of Commerce supports HB 1980 HD1 for its intent to repeal the changes made in Act 196 and Act 22 with respect to filing deadlines by reinstating the due date to the last day of the calendar month.

This calendar date falls in alignment with general business practices and allows accounting procedures to be more easily managed by businesses. In addition, electronic filing would streamline that process as well as support green business practices.

For these reasons I urge you to support this bill.

Mahalo for the opportunity to submit testimony.

Sincerely,

A handwritten signature in cursive script that reads 'Vivian Landrum'.

Vivian Landrum
President/CEO