June 5, 2015

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Eighth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai‘i 96813

The Honorable Joseph M. Souki,  
Speaker and Members of the House of Representatives  
Twenty-Eighth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai‘i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 5, 2015, the following bill was signed into law:

SB92 SD2 HD1 CD1  
RELATING TO TAXATION  
ACT 094 (15)

Sincerely,

[Signature]

DAVID Y. IGE  
Governor, State of Hawai‘i
A BILL FOR AN ACT

RELATING TO TAXATION.

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

SECTION 1. The purpose of this Act is to address taxation.

More specifically, this Act requires the department of taxation to publish reports of certain general excise tax exemptions.

SECTION 2. Section 231-3.4, Hawaii Revised Statutes, is amended to read as follows:

"§231-3.4 Publication of reports. (a) The department of taxation shall publish reports on the following:

(1) Hawaii income patterns--individuals;

(2) Hawaii income patterns--[corporations, proprietors, and partnerships, and] businesses;

(3) Tax credits[-]; and

(4) General excise tax exemptions that:

(A) Are tax expenditures at the wholesale rate;

(B) Are tax expenditures at the retail rate; and

(C) May be foregone opportunities to export taxes;

provided that the department of taxation shall have the discretion to determine the exemptions that fit within each of the categories within subparagraphs...
(A), (B), and (C) and those that do not fit into any
of the categories. The department shall not be
required to publish reports on exemptions that do not
fit into any of the categories.

(b) The department shall make each of these reports
available in both paper form and commonly accessible electronic
forms.

(c) The department of taxation shall [report] provide the
reports required by subsection (a)(1) and (3) to the legislature
no later than twenty days prior to the convening of each regular
session[; provided that on or before December 31, 2012, the
department shall report to the legislature on:

(1) The resources and information needed to complete the
reports required under subsection (a)(3);

(2) An identification of the best means of providing
information in an electronic format in the future[; and

(3) Recommendations for additional information that may be
required for inclusion in the reports as the
department upgrades its tax computer systems and
associated enterprise resource planning
implementation[; provided that on or before December
31, 2015, the department of taxation shall report to
the legislature on the status of upgrading its forms
and reporting capabilities per the implementation of
the department of taxation's tax system modernization.
The department of taxation shall provide the reports
required by subsection (a)(2) and (4) to the
legislature no later than twenty days prior to the
convening of the 2017 regular session and each session
thereafter.

(d) The department may explore and implement all
reasonable methods of covering the costs of distribution of the
reports, including but not limited to:

(1) Setting reasonable fees that will cover the costs of
producing and distributing the reports in paper and
electronic form; and

(2) Negotiating licensing fees with commercial information
providers for rights to carry the reports on-line or
in other electronic storage methods."

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

SECTION 4. This Act shall take effect on July 1, 2015.