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, proprietorships, 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.
Report Title:
General Excise Tax Exemptions; Report

Description:
Requires DOTAX to publish reports on income patterns for Hawaii businesses, the status of the tax system modernization project, and general excise tax exemptions. Repeals an obsolete reporting deadline. (CD1)

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