
A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX REPORTING FOR SPECIAL EVENTS.

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

1 SECTION 1. Chapter 237, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§237- Requirements for promoters or operators of
5 special events. (a) All special event operators shall submit a
6 report in writing to the department providing information
7 regarding sellers engaging in business at all special events for
8 which the person is a special event operator. The report shall
9 be filed together with each of the special event operator's
10 periodic general excise tax returns for periods during which one
11 or more special events occurred, and shall be in the form
12 prescribed by the department.

13 (b) The report required under subsection (a) shall
14 include:

15 (1) The name of each seller at the special event,
16 including any names under which the seller is doing
17 business;

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1 (2) The address or primary place of business of each
2 seller;

3 (3) The business license number issued under section 237-9
4 of each seller; and

5 (4) All other information requested by the department.

6 (c) The department may issue citations to any special
7 event operator who fails to file a complete and accurate report
8 as required by this section. A citation issued pursuant to this
9 subsection shall include a monetary fine of not more than:

10 (1) \$250 for a first violation for which a citation is
11 issued;

12 (2) \$500 for a second violation for which a citation is
13 issued; and

14 (3) \$2,500 for a third and any subsequent violation for
15 which a citation is issued.

16 (d) For the purposes of this section:

17 "Special event" means any event organized by a special
18 event operator at which two or more persons offer property or
19 services for sale or exchange. Special events include, but are
20 not limited to, swap meets, art shows, cultural festivals or
21 events, carnivals, local fairs, farmers' markets, sporting
22 events, food truck events, craft fairs, and flea markets.

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1 "Special event operator" means any person who charges a fee
2 or otherwise receives income in exchange for promoting,
3 organizing, managing, or otherwise operating a special event."

4 SECTION 2. New statutory material is underscored.

5 SECTION 3. This Act shall take effect upon its approval.

INTRODUCED BY: _____



BY REQUEST

JAN 25 2016

Report Title:

Taxes; Special Event Reporting

Description:

Requires operators of special events to file reports giving information about the vendors participating in special events. Grants Department of Taxation authority to issue citations for failure to file report.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Taxation

TITLE: A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX REPORTING FOR SPECIAL EVENTS.

PURPOSE: Require reporting from the organizer of flea markets, swap meets or other special events, providing information to the department about individuals doing business at those events.

MEANS: Add a new section to chapter 237, Hawaii Revised Statutes.

JUSTIFICATION: The department faces difficulty enforcing compliance within Hawaii's cash economy for a variety of reasons. One of the main limitations on the department's ability to enforce compliance in these areas is the fact that it is difficult to find non-filing taxpayers. Requiring reporting from the event organizers regarding who is conducting business at their special events will help the department reach out to those taxpayers to determine whether they are in compliance and, if not, to assist them in becoming compliant with the tax laws.

The reporting requirement created by this section is similar to that in place in several other states, and should not be overly burdensome to event organizers.

Impact on the public: Minimal or none.

Impact on the department and other agencies: This measure will provide the department with additional information to assist in locating taxpayers and ensuring compliance in cash-based businesses.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: None.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.