

Honolulu, Hawaii

FEB 17 2017

RE: S.B. No. 1007
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1007 entitled:

"A BILL FOR AN ACT RELATING TO WITHHOLDING TAX,"

begs leave to report as follows:

The purpose and intent of this measure is to promote effective tax administration and mitigate burdens on employers by changing the frequency of filing income tax withholding returns from monthly to quarterly for all employers.

Your Committee received testimony in support of this measure from the Department of Taxation and the Chamber of Commerce Hawaii.

Your Committee received testimony in opposition to this measure from one individual.

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

Your Committee finds that this measure would decrease the administrative burden on employers by reducing the number of withholding filings from twelve annual filings to four. Your Committee further finds that requiring withholdings to be reported quarterly would align the State's filing requirements with the filing requirements of the federal government.

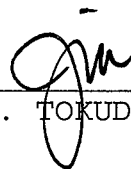


Your Committee has amended this measure by:

- (1) Requiring employers whose annual liability for taxes withheld exceeds \$5,000, but does not exceed \$40,000, to remit the complete amount of tax withheld on a monthly schedule; and
- (2) Defining the term "monthly schedule" to mean on or before the fifteenth day of the calendar month following the month for which the taxes have been withheld.

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 S.B. No. 1007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1007, S.D. 1, and be placed on the calendar for Third Reading.

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

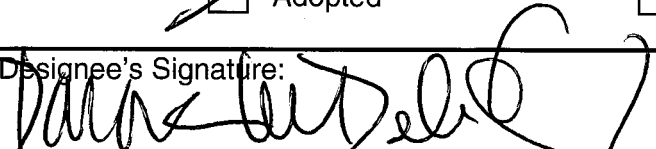


JILL N. TOKUDA, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 1007	Committee Referral: WAM	Date: 2/7/17		
<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
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene				/
INOUYE, Lorraine R.	/			
KAHELE, Kaiali'i	/			
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn				/
TOTAL	9			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes