
A BILL FOR AN ACT

RELATING TO ELECTRONIC FILING.

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

1 SECTION 1. The legislature finds that although electronic
2 filing of tax returns increases the efficiency of tax
3 administration, requiring electronic filing of tax returns is
4 only appropriate in limited circumstances and only for certain
5 taxpayers. This Act authorizes the department of taxation to
6 require certain taxpayers to file tax returns electronically if
7 the department of taxation has provided an electronic filing
8 option. This Act also authorizes the department of taxation to
9 impose a penalty for failure to file electronically and to waive
10 the penalty if the failure is for reasonable cause. This Act
11 does not authorize the department of taxation to require
12 individual taxpayers to electronically file income tax returns.

13 SECTION 2. Section 231-8.5, Hawaii Revised Statutes, is
14 amended to read as follows:

15 " [H] §231-8.5 [H] **Electronic filing of tax returns.** (a)
16 The department may allow filing by electronic, telephonic, or
17 optical means of any tax return, application, report, or other



1 document required under the provisions of title 14 administered
2 by the department.

3 (b) If the requirements of subsection (c) are satisfied,
4 the department may require the electronic filing of any tax
5 return, application, report, or other document required for:

6 (1) Withholding taxes under chapter 235, but only from
7 employers whose total tax liability under sections
8 235-61 and 235-62 for the calendar or fiscal year
9 exceeds \$40,000;

10 (2) Income taxes under chapter 235, but only from
11 taxpayers who are subject to tax under section 235-71,
12 235-71.5, or 235-72;

13 (3) General excise taxes under chapter 237, but only from
14 taxpayers whose total tax liability under chapter 237
15 for the calendar or fiscal year exceeds \$4,000;

16 (4) Transient accommodations taxes under chapter 237D, but
17 only from operators and plan managers whose total tax
18 liability under chapter 237D for the calendar or
19 fiscal year exceeds \$4,000; and



1 (5) Any tax required under any of the following chapters,
2 from all taxpayers subject to tax under any of those
3 chapters:

4 (A) 236E;

5 (B) 239;

6 (C) 241;

7 (D) 243;

8 (E) 244D;

9 (F) 245; and

10 (G) 251.

11 (c) As a prerequisite to requiring electronic filing under
12 subsection (b), the department shall provide:

13 (1) An electronic filing option to the taxpayer; and

14 (2) No less than ninety days prior written notice to the
15 general public of the department's intention to
16 require electronic filing.

17 (d) The date of filing shall be the date the tax return,
18 application, report, or other document is transmitted to the
19 department in a form and manner prescribed by departmental rules
20 adopted pursuant to chapter 91. The department may determine
21 alternative methods for the signing, subscribing, or verifying



1 of a tax return, application, report, or other document that
2 shall have the same validity and consequences as the actual
3 signing by the taxpayer. A filing under this section shall be
4 treated in the same manner as a filing subject to the penalties
5 under section 231-39.

6 (e) A person who is required by the department under
7 subsection (b) to electronically file any tax return and who
8 fails to file using an approved method shall be liable for a
9 penalty of two per cent of the amount of the tax required to be
10 shown on the return, unless it is shown that the failure to file
11 was due to reasonable cause and not to neglect."

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

14 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Electronic Filing of Tax Returns

Description:

Authorizes the Department of Taxation to require certain taxpayers to file returns electronically, subject to exceptions for reasonable cause. (SD1)

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

