

Honolulu, Hawaii  
FEB 09 2021

RE: S.B. No. 1196  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 1196 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:

- (1) Amend the due date for employers to file the wage and tax statement from the last day of February to January 31 following the close of the calendar year; and
- (2) Impose a penalty on employers that fail to timely furnish and file the wage and tax statement.

Your Committee received testimony in support of this measure from the Department of Taxation.

Your Committee finds that under existing law, there is no state penalty for an employer who fails to furnish an employee with their wage and tax statement or fails to file a copy of that statement with the Department of Taxation. Your Committee further finds that imposing a flat fee penalty would encourage compliance with the requirements of state tax law. Your Committee additionally finds that aligning state filing deadlines with those established by the Internal Revenue Service will benefit employers



by providing them with a single filing deadline for all similar tax documents.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1196, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1196, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary,



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KARL RHOADS, Chair



