

JAN 22 2010

S.B. NO. 2416

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# A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX DEADLINES.

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

1       SECTION 1. Purpose. The legislature finds that Act 196,  
2 Session Laws of Hawaii, 2009, created a hardship for certain  
3 businesses and made compliance very difficult. Act 196 advanced  
4 the filing and payment of monthly, quarterly, and semi-annual  
5 general excise taxes due, from the last calendar day of the  
6 month following the month, quarter, or half-year in which taxes  
7 accrue to the twentieth day of that month, quarter, or half-  
8 year. However, for condominium management businesses on a  
9 monthly cycle, the process from billing to payment to reporting  
10 can take longer than twenty days. Due to a large volume of  
11 transactions, it frequently takes until the fifteenth of the  
12 month to complete all billing and payments. Statements are then  
13 sent to condominium owners for payment. If an owner can access  
14 the statement online, the individual can pay online within a day  
15 or two. However, many people do not use the Internet for bill  
16 payment and receive and pay their bills by regular mail, which  
17 would exceed the twentieth day of the month deadline.



1       The purpose of the Act is to amend the due date from the  
2       twentieth to the last calendar day of the month for filing and  
3       payment of general excise taxes.

4       SECTION 2. Section 237-30, Hawaii Revised Statutes, is  
5       amended by amending subsections (a) and (b) to read as follows:

6       "(a) The taxes levied hereunder shall be payable in  
7       monthly installments on or before the [~~twentieth~~] last day of  
8       the calendar month following the month in which they accrue.  
9       The taxpayer, on or before the [~~twentieth~~] last day of the  
10      calendar month following the month in which the taxes accrue,  
11      shall make out and sign a return of the installment of tax for  
12      which the taxpayer is liable for the preceding month and  
13      transmit the same, together with a remittance, in the form  
14      required by section 237-31, for the amount of the tax, to the  
15      office of the department of taxation in the appropriate district  
16      hereinafter designated.

17      (b) Notwithstanding subsection (a), the director of  
18      taxation, for good cause, may permit a taxpayer to file the  
19      taxpayer's return required under this section and make payments  
20      thereon:

21      (1) On a quarterly basis during the calendar or fiscal  
22      year, the return and payment to be made on or before



1 the [~~twentieth~~] last day of the calendar month after  
2 the close of each quarter, to wit: for calendar year  
3 taxpayers, on or before April [~~20~~] 30, July [~~20~~] 31,  
4 October [~~20~~] 31, and January [~~20~~] 31 or, for fiscal  
5 year taxpayers, on or before the [~~twentieth~~] last day  
6 of the fourth month, seventh month, and tenth month  
7 following the beginning of the fiscal year and on or  
8 before the [~~twentieth~~] last day of the month following  
9 the close of the fiscal year; provided that the  
10 director is satisfied that the grant of the permit  
11 will not unduly jeopardize the collection of the taxes  
12 due thereon and the taxpayer's total tax liability for  
13 the calendar or fiscal year under this chapter will  
14 not exceed \$4,000; or

- 15 (2) On a semiannual basis during the calendar or fiscal  
16 year, the return and payment to be made on or before  
17 the [~~twentieth~~] last day of the calendar month after  
18 the close of each six-month period, to wit: for  
19 calendar year taxpayers, on July [~~20~~] 31 and January  
20 [~~20~~] 31 or, for fiscal year taxpayers, on or before  
21 the [~~twentieth~~] last day of the seventh month  
22 following the beginning of the fiscal year and on or



1 before the last day of the month following the close  
2 of the fiscal year; provided that the director is  
3 satisfied that the grant of the permit will not unduly  
4 jeopardize the collection of the taxes due thereon and  
5 the taxpayer's total tax liability for the calendar or  
6 fiscal year under this chapter will not exceed \$2,000.

7 The director, for good cause, may permit a taxpayer to make  
8 monthly payments based on the taxpayer's estimated quarterly or  
9 semiannual liability, provided the taxpayer files a  
10 reconciliation return at the end of each quarter or at the end  
11 of each six-month period during the calendar or fiscal year, as  
12 provided in this section."

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

15 SECTION 4. This Act, upon its approval, shall apply to  
16 returns and payments due after June 30, 2010.

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INTRODUCED BY:

*Ray L. Hanson*  
*J. Craig Gell* *Will Evers*  
*Ms. [unclear]* *David [unclear]*  
*Randy D. [unclear]*



**Report Title:**

General Excise Tax; Pay on Last Day of Month, Quarter, Half-Year

**Description:**

Requires monthly, quarterly, and semi-annual general excise tax payments to be made on the last day, rather than the 20th day of the calendar month, quarter, or semi-annual period.

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

