

JAN 25 2017

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# A BILL FOR AN ACT

RELATING TO TAX ADMINISTRATION.

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

1           SECTION 1. Section 231-8.5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "~~+~~§231-8.5~~+~~ **Electronic filing of tax returns.** (a)

4 The department may ~~allow~~ require filing by electronic,  
5 telephonic, or optical means of any tax return, application,  
6 report, or other document required under the provisions of title  
7 14 administered by the department~~-~~ and may allow exceptions  
8 for reasonable cause as provided by rules adopted pursuant to  
9 chapter 91. The date of filing shall be the date the tax  
10 return, application, report, or other document is transmitted to  
11 the department in a form and manner prescribed by departmental  
12 rules adopted pursuant to chapter 91. The department may  
13 determine alternative methods for the signing, subscribing, or  
14 verifying of a tax return, application, report, or other  
15 document that shall have the same validity and consequences as  
16 the actual signing by the taxpayer. A filing under this section



1 shall be treated in the same manner as a filing subject to the  
2 penalties under section 231-39.

3 (b) If a person who is required by the department under  
4 subsection (a) to file a tax return, application, report, or  
5 other document required under the provisions of title 14  
6 administered by the department by electronic, telephonic, or  
7 optical means fails to file by electronic, telephonic, or  
8 optical means, the person shall be liable for a penalty of two  
9 per cent of the amount of the tax required to be shown on the  
10 return."

11 SECTION 2. Section 231-9.9, Hawaii Revised Statutes, is  
12 amended by amending subsection (a) to read as follows:

13 "(a) The director of taxation is authorized to require  
14 every person whose tax liability for any tax type for any one  
15 taxable year exceeds [~~\$100,000~~] \$40,000 and who files a tax  
16 return for any tax, including consolidated filers, to remit  
17 taxes by one of the means of electronic funds transfer approved  
18 by the department [~~; provided that for withholding taxes under~~  
19 ~~section 235-62, electronic funds transfers shall apply to annual~~  
20 ~~tax liabilities that exceed \$40,000~~]. Notwithstanding the tax  
21 liability thresholds in this subsection, the director of



# S.B. NO. 851

1 taxation is authorized to require any person who is required to  
2 electronically file a federal return or electronically remit any  
3 federal taxes to the federal government, to electronically file  
4 a state return and electronically remit any state taxes under  
5 title 14 to the department. The director is authorized to grant  
6 an exemption to the electronic filing and payment requirements  
7 for good cause."

8 SECTION 3. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect upon its approval,  
11 provided that section 2 shall apply to taxable years beginning  
12 after December 31, 2017.

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INTRODUCED BY: \_\_\_\_\_

A handwritten signature in black ink, appearing to be 'Jim', written over a horizontal line.

# S.B. NO. 851

**Report Title:**

Tax Administration; Electronic Filing

**Description:**

Authorizes the Department of Taxation to require electronic filing of tax returns, subject to exceptions for reasonable cause as provided by administrative rules. Reduces the threshold amount for electronic funds transfers of taxes. Clarifies the thresholds are per tax type.

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

