

**ACT 24**

A Bill for an Act Relating to Taxation to Permit Quarterly Filing of Returns and Quarterly Payment of Income Taxes Withheld from Wages and Amending Chapter 121 of the Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of Section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

The Department of Taxation, as a result of its tax simplification studies, now recommends legislative changes which will simplify tax reporting by the taxpayer and also will simplify processing of such reports by the Department. Certain statistical information in this area will be more readily available.

It is expected that the simplifications when fully effected will reduce workload, thus offsetting any need for increase in personnel in these programs to meet greater volumes of returns each year.

This improved system will be of immediate benefit to the taxpayers and the Department and is necessary prior to statewide use of automatic data processing.

One phase of this overall program is to permit employers to file their net income withholding tax returns and to make payments thereon on a quarterly basis under conditions as set forth in this Act. This will permit approximately 11,000 of the 15,000 employers who are now required to withhold taxes to become eligible to file quarterly returns, resulting in reducing the monthly record-keeping workload of the Department.

Therefore this Act is considered an urgency measure deemed necessary in the public interest.

SECTION 2. Section 121-17, Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the phrase beginning with the words "provided, further" and ending with the words "January 20", appearing in the fourth sentence thereof to read as follows:

"provided, further, that the director may grant permission to employers, whose liability to pay over the taxes withheld as heretofore provided shall not exceed \$200 per annum, to make returns and payments thereon on a quarterly basis during the calendar year, such returns and payments to be made within twenty days after the close of each quarter, to wit, on or before April 20, July 20, October 20, and January 20; and provided, further, that the director may grant permission to employers to make monthly payments based on an estimated quarterly liability, provided that the employer file a reconciliation return at the end of each quarter during the calendar year as heretofore provided."

SECTION 3. This Act shall take effect on January 1, 1965.

(Approved April 21, 1964.) **H.B. 204.**

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