

A Bill for an Act Relating to Tax Payments.

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

SECTION 1. Section 235-62, Hawaii Revised Statutes, is amended to read as follows:

**“§235-62 Return and payment of withheld taxes.** Every employer required by this chapter to withhold taxes on wages paid in any month shall make a return of such wages to the department of taxation on or before the fifteenth day of the calendar month following the month for which the taxes have been withheld[.]; provided that each employer required to make a return under this section whose liability for taxes withheld exceeds \$100,000 a year, shall make a return of wages and taxes withheld to the department on or before the tenth day of the calendar month following the month for which the taxes have been withheld. The return shall be in such form, including computer printouts and the like, and contain such information as may be prescribed by the director of taxation. The return shall be filed with the collector of the taxation district in which the employer has the employer’s principal place of business or with the director at Honolulu if the employer has no place of business in the State. Every return required under this section shall be accompanied by a remission of the complete amount of tax withheld, as reported in the return[; provided that the director may, if]. If the director believes [such action necessary where] collection of the tax may be in jeopardy, the director may require any person required to make a return under this section to make such return and pay such tax at any time[; provided further that the]. The director may grant permission to employers, whose liability to pay over the taxes withheld as [heretofore] provided in this section shall not exceed \$1,000 a year, to make returns and payments [thereon] of the taxes due on a quarterly basis during the calendar year, [such] the returns and payments to be made on or before the fifteenth day of the calendar month after the close of each quarter, to wit, on or before April 15, July 15, October 15, and January 15[; and provided further that the]. The director may grant permission to employers to make monthly payments based on an estimated quarterly liability[.]; provided that the employer [file] files a reconciliation return on or before the fifteenth day of the calendar month after the close of each quarter during the calendar year as [heretofore provided.] provided by this section. The director, for good cause, may extend the time for making returns and payments, but not beyond the fifteenth day of the second month [next succeeding the regular due date thereof as provided herein.] following the regular due date of the return. With respect to wages paid out of public moneys, the director, in the director’s discretion, may prescribe special forms for, and different procedures and times for the filing of, [such] the returns by employers paying [such] the wages, or may[.] waive the filing of any returns upon [such] the conditions and subject to [such] rules [as] the director may prescribe [from time to time, waive the filing of any such returns].”

SECTION 2. Section 239-7, Hawaii Revised Statutes, is amended to read as follows:

**“§239-7 Assessments; payments; chapter 235 applicable.** (a) The tax

imposed by this chapter shall be assessed against each public service company in the manner provided by this chapter, and shall be paid to the department of taxation at the times, and in the manner (in installments or otherwise) [hereinafter prescribed.] provided by this section.

(b) The total amount of the tax imposed by this chapter shall be paid on or before the twentieth day of the fourth month following the close of the taxable year. The public service company may elect to pay the tax in four equal installments, in which case the first installment shall be paid on or before the twentieth day of the fourth month following the close of the taxable year, the second installment shall be paid on or before the twentieth day of the sixth month following the close of the taxable year, the third installment shall be paid on or before the twentieth day of the ninth month following the close of the taxable year, and the fourth installment shall be paid on or before the twentieth day of the twelfth month following the close of the taxable year. Notwithstanding the preceding, if the total tax liability under this chapter for the taxable year exceeds \$100,000, the taxes so levied shall be payable in twelve equal installments, in which case the first installment shall be paid on or before the tenth day of the first month following the close of the taxable year, and the remaining installments shall be paid on or before the tenth day of each calendar month after such date. If any installment is not paid on or before the date fixed for its payment, the department, at its election, may cause the [whole] balance of the tax unpaid to become payable upon not less than ten days' notice and demand, and this amount shall be paid upon the date so fixed in the notice and demand from the department.

(c) The department shall prescribe the forms in which returns shall be made so as to reflect clearly the liability of each public service company subject to this tax, and may provide in the forms for such additional information as it may deem necessary. All provisions of the laws, not inapplicable and not inconsistent with this chapter, relating to returns for income tax purposes, the assessment (including additional assessments), collection, and payment (in installments or otherwise) of income taxes and the powers and duties of the department and the director of finance in connection therewith, and relating to appeals from or other adjustments of such assessments, limitation periods for assessments, enforcement of attendance of witnesses, and the production of evidence, examination of witnesses and records, the effect of assessments, tax books, and lists and other official tax records as evidence, delinquent dates and penalties, and the rights and liabilities (civil and criminal) of taxpayers and other persons in connection with any matters dealt with by chapter 235, are made applicable (1) to the taxes and the assessment, payment, and collection thereof, provided by this chapter, and (2) to the department and director of finance in connection with the taxes and the assessment, payment, or enforcement of payment and collection thereof, and (3) to taxpayers and other persons affected by this chapter, as the case may be. The provisions of chapter 235 regarding the limitation period for assessment and refunds shall run from the filing of the [final] return for the taxable year, or the due date prescribed for the filing of the return, whichever is later[, and not from the due date of any payment]."

SECTION 3. Section 241-5, Hawaii Revised Statutes, is amended to read as follows:

**"§241-5 Returns; payment of tax.** Returns made on the basis of the calendar year shall be made and filed, and the tax imposed by this chapter shall be

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paid, on or before April 20 following the close of the calendar year. Returns made on the basis of a fiscal year shall be made and filed, and in such case the tax imposed by this chapter shall be paid, on or before the twentieth day of the fourth month following the close of the fiscal year.

A taxpayer may elect to pay the tax in four equal installments, in which case the first installment shall be paid on the date prescribed for the payment of the tax, the second installment shall be paid on the twentieth day of the second month, the third installment on the twentieth day of the fifth month, and the fourth installment on the twentieth day of the eighth month after such date. Notwithstanding the preceding, if the total tax liability under this chapter for the taxable year exceeds \$100,000, the taxes so levied shall be payable in twelve equal installments, in which case the first installment shall be paid on or before the tenth day of the first month following the close of the taxable year, and the remaining installments shall be paid on or before the tenth day of each calendar month after such date. If any installment is not paid on or before the date fixed for its payment, the department, at its election, may cause the balance of the tax unpaid to become payable upon not less than ten days' notice and demand, and this amount shall be paid upon the date so fixed in the notice and demand from the department. The department shall prescribe the forms in which returns shall be made.

The provisions of chapter 235 regarding the limitation period for assessment and refunds shall run from the filing of the return for the taxable year, or the due date prescribed for the filing of the return, whichever is later."

SECTION 4. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 5. This Act shall take effect on January 1, 1993.

(Approved April 22, 1992.)