

ACT 155

H.B. NO. 1198

A Bill for an Act Relating to the Integrated Tax Information Management Systems Acquisition By the Department of Taxation.

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

SECTION 1. Chapter 231, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§231- Integrated tax information management systems special fund.

(a) There is established in the state treasury the integrated tax information management systems special fund into which shall be deposited general excise tax revenues as provided by section 237-31. The director of taxation may retain and deposit the amounts necessary to meet the obligations of the integrated tax information management systems performance-based contract. The amounts transferred by the director of taxation to the integrated tax information management systems special fund for a fiscal year shall be limited to the amounts appropriated by the legislature.

(b) Moneys in the fund shall be expended by the department to pay for the integrated tax information management systems performance-based contracts authorized by Act 273, Session Laws of Hawaii 1996.

(c) The department shall submit an annual report to the legislature no later than twenty days prior to the convening of each regular session, providing an accounting of the receipts of, and expenditures from, the fund.

(d) This section shall be repealed on July 1, 2004.”

SECTION 2. Section 36-27, Hawaii Revised Statutes, is amended to read as follows:

“§36-27 Transfers from special funds for central service expenses.

Except as provided in this section, and notwithstanding any other law to the contrary, from time to time the director of finance, for the purpose of defraying the prorated estimate of central service expenses of government in relation to all special funds, except the:

- (1) Special summer school and intersession fund under section 302A-1310;
- (2) School cafeteria special funds of the department of education;
- (3) Special funds of the University of Hawaii;
- (4) State educational facilities improvement special fund;
- (5) Convention center capital special fund under section 206X-10.5 and the convention center operations special fund under section 206X-10.6;
- (6) Special funds established by section 206E-6;
- (7) Housing loan program revenue bond special fund;
- (8) Housing project bond special fund;
- (9) Aloha Tower fund created by section 206J-17;
- (10) Domestic violence prevention special fund under section 321-1.3;
- (11) Spouse and child abuse special account under section 346-7.5;

- (12) Spouse and child abuse special account under section 601-3.6;
- (13) Funds of the employees' retirement system created by section 88-109;
- (14) Unemployment compensation fund established under section 383-121;
- (15) Hawaii hurricane relief fund established under chapter 431P;
- (16) Hawaii health systems corporation special funds;
- (17) Boiler and elevator safety revolving fund established under section 397-5.5;
- (18) Tourism special fund established under section [201B-11]¹ ; [and]
- (19) Department of commerce and consumer affairs' special funds; and
- (20) Integrated tax information management systems special fund under section 231- ;

shall deduct five per cent of all receipts of all other special funds, which deduction shall be transferred to the general fund of the State and become general realizations of the State. All officers of the State and other persons having power to allocate or disburse any special funds shall cooperate with the director in effecting these transfers. To determine the proper revenue base upon which the central service assessment is to be calculated, the director shall adopt rules pursuant to chapter 91 for the purpose of suspending or limiting the application of the central service assessment of any fund. No later than twenty days prior to the convening of each regular session of the legislature, the director shall report all central service assessments made during the preceding fiscal year."

SECTION 3. Section 36-30, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

- “(a) Each special fund, except the:
- (1) Transportation use special fund established by section 261D-1;
 - (2) Special summer school and intersession fund under section 302A-1310;
 - (3) School cafeteria special funds of the department of education;
 - (4) Special funds of the University of Hawaii;
 - (5) State educational facilities improvement special fund;
 - (6) Special funds established by section 206E-6;
 - (7) Aloha Tower fund created by section 206J-17;
 - (8) Domestic violence prevention special fund under section 321-1.3;
 - (9) Spouse and child abuse special account under section 346-7.5;
 - (10) Spouse and child abuse special account under section 601-3.6;
 - (11) Funds of the employees' retirement system created by section 88-109;
 - (12) Unemployment compensation fund established under section 383-121;
 - (13) Hawaii hurricane relief fund established under chapter 431P;
 - (14) Convention center capital special fund established under section 206X-10.5 and the convention center operations special fund established under section 206X-10.6;
 - (15) Hawaii health systems corporation special funds; [and]
 - (16) Tourism special fund established under section [201B-11]¹; and
 - (17) Integrated tax information management systems special fund;

shall be responsible for its pro rata share of the administrative expenses incurred by the department responsible for the operations supported by the special fund concerned.”

SECTION 4. Section 237-31, Hawaii Revised Statutes, is amended to read as follows:

“§237-31 **Remittances.** All remittances of taxes imposed by this chapter shall be made by money, bank draft, check, cashier's check, money order, or certificate of deposit to the office of the department of taxation to which the return

was transmitted. The department shall issue its receipts therefor to the taxpayer and shall pay the moneys into the state treasury as a state realization, to be kept and accounted for as provided by law; provided that [the]:

- (1) The sum from all general excise tax revenues realized by the State that represents the difference between \$90,000,000 and the proceeds from the sale of any general obligation bonds authorized for that fiscal year for the purposes of the state educational facilities improvement special fund shall be deposited in the state treasury in each fiscal year to the credit of the state educational facilities improvement special fund; [provided further that a]
- (2) A sum, not to exceed \$5,000,000, from all general excise tax revenues realized by the State shall be deposited in the state treasury in each fiscal year to the credit of the compound interest bond reserve fund[.]; and
- (3) A sum, not to exceed the amount necessary to meet the obligations of the integrated tax information management systems performance-based contract may be retained and deposited in the state treasury to the credit of the integrated tax information management systems special fund. The sum retained by the director of taxation for deposit to the integrated tax information managements systems special fund for each fiscal year shall be limited to amounts appropriated by the legislature. This paragraph shall be repealed on July 1, 2004.’’

SECTION 5. There is appropriated out of the integrated tax information management systems special fund the sum of \$17,750,828, or so much thereof as may be necessary, for fiscal year 1999-2000, and the sum of \$7,480,428, or so much thereof as may be necessary, for fiscal year 2000-2001, to carry out the purposes of this Act. The sums appropriated shall be expended by the department of taxation.

SECTION 6. Statutory material to be repealed is bracketed. New statutory material is underscored.²

SECTION 7. This Act shall take effect on July 1, 1999; provided that:

- (1) The amendments made to sections 36-27 and 36-30, Hawaii Revised Statutes, by this Act shall not be repealed when those sections are reenacted on July 1, 2000, pursuant to section 13 of Act 216, Session Laws of Hawaii 1997; and
- (2) The amendments made to section 36-27, Hawaii Revised Statutes, by this Act shall not be repealed when that section is reenacted on July 31, 2003, pursuant to section 9 of Act 142, Session Laws of Hawaii 1998.

(Approved June 28, 1999.)

Notes

1. So in original.

2. Edited pursuant to HRS §23G-16.5.