

2012 Tax Acts

2012 Administrative Proposals			
Dept/No.	Description	Senate	House
TAX-01	INCOME - Annual conformity measure that would update references to the federal Code within subtitle A of Chapter 1. HB 2605, SD-1 provides the measure shall be applicable to tax years beginning after December 31, 2011.		2605, SD-1 Act 179
TAX-02	ADMINISTRATION - Allows the department of taxation to charge a fee of \$20 for each tax clearance application submitted by a taxpayer and \$5 for each certified copy of a tax clearance	2868, HD-1 Act 180	

Legislative Tax Proposals

TAX	Bill No.	Description	Status
ADMIN./ APPEALS	SB 2947, CD-1	Requires the department of taxation to submit the reports listed in HRS section 231-3.4 annually to the legislature; provided that the department shall submit by December 31, 2012, a report to the legislature on the resources and information needed to complete the reports, identification of the best means of providing information in an electronic format; and recommendations for additional information that may be required for inclusion in the reports as the department upgrades its tax computer systems and associated enterprise resource planning implementation. Also permits the director of taxation to appoint an administrative appeals officer to administer expedited appeals and dispute resolutions and other duties as directed.	Act 189
	HB 1695, SD-1	Prohibits the concurrent imposition of HRS 231-36.8 (erroneous claim for refund or credit) and HRS section 231-36.6 (substantial understatements or misstatement of amounts)	Act 185
TAX REVIEW COMM.	HB 2326, CD-1	Provides that the Tax Review Commission appointed on or before 7/1/10 or the successor commission intended to function before the appointment of a new commission on 7/1/15, shall submit the required evaluation and recommendations prior to the convening of the 2013 legislative session	Act 181
INCOME	HB 1705, CD-1	Provides that IRC section 501(c) (12) (with respect to exempt organizations) shall be operable for state income tax purposes for companies that provide potable water to residential communities that lack any access to public utility water service and shall not be subject to state income or general excise taxation	Act 184
	HB 2328, CD-1	Extends the sunset date of Act 166, SLH 2007, from 12/31/12 to 12/31/17 to extend the income tax exemption for capital gains received from the sale of the leased fee interest in condominium units to associations of apartment owners or residential cooperative corporations	Act 220
INHER. & ESTATE	HB 2328, CD-1	Establishes an estate and generation-skipping transfer tax applicable to decedents dying or taxable transfers occurring after January 25, 2012 . After the determination of the Hawaii net taxable estate, that is the amount of the Hawaii taxable estate less the federal applicable exclusion, an estate tax shall be due and payable for Hawaii net taxable estates from 10% to 15.7%. Provides that HRS chapter 236D shall not be applicable to decedents dying or taxable transfers occurring after January 25, 2012.	Act 220
GENERAL EXCISE	SB 2101, HD-2	Extends the general excise tax exclusion of the amounts received by a managed care support coordinator of the TRICARE program from 12/31/13 to 12/31/15	Vetoed

	SB 2238, CD-1	Requires the director of taxation to notify a nonprofit organization to comply with general excise tax filing requirements before denying the organization any general excise tax benefit. Organizations shall have 90 days from the notification to comply with the requirements. Also clarifies the liability of persons having control of monies held in trust for nonprofit organizations who are also responsible for filing and payment of general excise tax on such monies.	Act 219
	SB 2424, CD-1	Replaces the term "professional employment organization" with "professional employer organization" and the term "assigned employees" with "covered employees" in the general excise tax exemption for professional employment organizations	Vetoed
TAT	SB 490, CD-1	Increases the allocation of TAT revenues to the tourism special fund between 7/1/12 and 6/30/15 from \$69 million to \$71 million and provides that \$2 million shall be used for the development and implementation of initiatives to increase international travel and tourism to Hawaii	Act 171
	SB 3017, SD-2	Clarifies the imposition of the daily tax of \$10 for every transient accommodation that is furnished on a complimentary or gratuitous basis, or at no charge, by providing that "complimentary or gratuitous basis": (1) includes transient accommodations such as prize giveaways, contestant winnings, charitable gifts, and rooms furnished as part of a travel package; and (2) does not include transient accommodations furnished as part of a tourism industry promotional or marketing activity, including activities for travel agents such as familiarization tours, promotions to meeting and event planners, and publicizing the property as part of a marketing program	Vetoed
	HB 2314, SD-1	Provides that TAT revenues shall be distributed to the convention center enterprise special fund on a fiscal year basis rather than on a calendar year basis. Any unexpended and unencumbered moneys in excess of any unencumbered reserve remaining in the convention center enterprise special fund at the close of the fiscal year 2011-2012, may be expended for repair and maintenance projects of the convention center.	Act 243
FUEL	HB 2740, CD-1	Extends the sunset date of Act 198, SLH 2009, from 12/31/12 to 12/31/15 to provide that naphtha fuel used in a power generating facility shall be taxed at two cents per gallon	Act 188
RENTAL MOTOR AND TOUR VEHICLE SURCH.	SB 2946, HD-2	Extends the increase in the rental motor vehicle surcharge from \$3 to \$7.50 from 6/30/12 to 6/30/15 and the suspension of the rental motor vehicle customer facility charge from 6/30/12 to 6/30/15. Provides that: (1) in each fiscal year 2013 and 2014, an amount equal to \$3 per day per rental transaction shall be deposited into the state highway fund; \$___ million shall be deposited into the rental motor vehicle customer facility charge fund; \$___ million shall be deposited into the general fund and the remainder deposited into the rental motor vehicle customer facility charge special fund; and (2) in fiscal years 2015 and 2016, an amount equal to \$3 per day per rental transaction shall be deposited into the state highway fund; \$___ million shall be deposited into the rental motor vehicle customer facility charge fund; \$___ million shall be deposited into the general fund and the remainder deposited into the rental motor vehicle customer facility charge special fund. Authorizes the issuance of \$500 million in rental motor vehicle customer facility revenue bonds for the renovation of existing and development of new facilities.	Vetoed