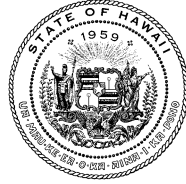


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September 13, 2019

**DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2019-11**

**RE:** Mandatory electronic filing of withholding tax returns for employer's whose annual liability exceeds \$40,000

Act 66, Session Laws of Hawaii 2018, amended section 231-8.5, Hawaii Revised Statutes (HRS), to enable the Department of Taxation (Department) to require certain taxpayers, including employers whose withholding tax liability exceeds \$40,000 annually, to file returns electronically.

This Announcement serves as notice required under section 231-8.5(c)(2), HRS, that employer's withholding tax returns for taxable periods beginning on or after January 1, 2020 will be required to be filed electronically.

The following forms are available on Hawaii Tax Online (<https://hitax.hawaii.gov>) for electronic filing:

- Form HW-3: Employer's Annual Return & Reconciliation of Hawaii Income Tax Withheld from Wages
- Form HW-14: Periodic Withholding Tax Return
- Form HW-26: Application for Extension of Time for Filing Employer's Return & Reconciliation

The Department will impose a two percent penalty on the amount of tax required to be shown on the return if the return is not filed electronically unless the failure is due to reasonable cause and not due to neglect. The Department will be phasing in other tax types for mandatory electronic filing in the future.

**RONA M. SUZUKI**  
Director of Taxation