

**DEPARTMENT OF TAXATION'S  
ANNUAL REPORT AS REQUIRED BY Section 231-9.9, Hawaii Revised Statutes**

For the period between 7/1/2014 - 6/30/2015

Section 231-9.9, Hawaii Revised Statutes (HRS), relates to remittance of taxes by means of Electronic Funds Transfer (EFT). The Department is required to submit an annual report on the number of taxpayers who were assessed the two percent penalty for failing to timely file by an approved EFT method, the amount of each assessment, and the total amount collected.

The mandatory remittance of taxes by means of EFT applies to (1) taxpayers with tax liabilities exceeding \$100,000, and (2) taxpayers with withholding taxes of over \$40,000.

Section 231-9.9(c), HRS, imposes a two percent penalty on the amount of taxes owed if a taxpayer mandated to remit taxes using an approved EFT method fails to do so on or before the date the taxes are due, unless failure is due to reasonable cause and not to neglect.

The amount of the EFT penalties imposed for fiscal year 2015 for taxpayers who remit more than \$100,000 a year in general excise, transient accommodations, rental and tour vehicle, and more than \$40,000 a year in withholding taxes:

EFT Penalties and Interest Assessed  
For the 2014-2015 Fiscal Year  
For the period of 07/01/2014 – 06/30/2015

	Total Penalty Assessed	Total Penalty Collected	Number Assessed
Corporate/Partnership	2,435.14	2,383.80	3
General Excise	1,140,594.46	811,049.06	2813
Transient Accommodations	38,467.78	6,192.40	52
Withholding	74,379.64	65,644.76	622
Rental and Tour Vehicle	200,915.76	108,545.04	18
County Surcharge	88,984.96	67,847.67	1,765
Cigarette and Tobacco	6,646.72	418.00	4
Franchise	166,731.00	72,940.28	7
Fuel	74,867.20	5,720.56	6
Public Service Company	337,089.32	250,133.73	15
<b>Total</b>	<b>\$2,131,111.98</b>	<b>\$1,390,875.30</b>	<b>5,305</b>

The Department's Integrated Tax Information Management System (ITIMS) allows for automated assessment of the penalties associated with EFT, allowing the Compliance Division to focus their resources on collecting the assessed EFT penalties and interest.