



State of Hawaii Department of Taxation
EFT PENALTY ANNUAL REPORT
As Required By Section 231-9.9, Hawaii Revised Statutes

HIP

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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 2021 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:

For the 2020-2021 Fiscal Year

For the period of Jul-01-2020 – Jun-30-2021

	Total Penalty Assessed	Total Penalty Collected	Number Assessed
Cigarette and Tobacco	3,885.59	3,885.59	8
Corporate Income	86,871.71	73,821.87	31
County Surcharge	75,752.32	67,793.74	2938
Fiduciary Income	1,437.83	1,437.83	3
Franchise	49,402.90	49,402.90	39
General Excise	737,829.46	672,286.95	2922
Individual Income	761,624.47	736,693.21	329
Liquid Fuel Distributor	306.75	306.75	1
Liquor	108.72	108.72	1
Public Service Company	53,151.99	25,760.66	44
Rental Vehicle	2,638.00	2,638.00	2
Seller's Collection	100.93	100.93	5
Transient Accommodations	16,169.61	13,925.08	86
Use Only	3,270.34	3,270.34	2
Withholding	111,569.47	99,940.31	649
Total	1,904,120.09	1,751,372.88	7060

The Department 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.