



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

HIP

Run Date: April 21, 2023
Run Time: 11:50:44 AM

Reporting Range: July 01, 2021 to June 30, 2022

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 2022 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 2021-2022 Fiscal Year

For the period of Jul-01-2021 – Jun-30-2022

	Total Penalty Assessed	Total Penalty Collected	Number Assessed
Cigarette and Tobacco	8,100.48	8,100.48	7
Corporate Income	118,278.94	118,050.73	36
County Surcharge	165,268.01	155,384.93	3779
Fiduciary Income	9,996.38	6,620.48	8
Franchise	101,746.02	95,429.13	118
General Excise	1,641,683.68	1,591,951.42	3231
Individual Income	793,735.67	739,412.34	464
Liquid Fuel Distributor	725.39	725.39	1
Public Service Company	92,655.55	90,845.05	89
Rental Vehicle	44,271.70	44,271.70	3
Seller's Collection	15,944.78	15,944.78	28
Transient Accommodations	103,761.85	103,696.81	106
Withholding	134,540.74	99,428.03	555
Total	3,230,709.19	3,069,861.27	8425

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.