

STAND. COM. REP. NO.

745

Honolulu, Hawaii

FEB 14 , 2025

RE: H.B. No. 1150
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 1150 entitled:

"A BILL FOR AN ACT RELATING TO TAX COLLECTIONS,"

begs leave to report as follows:

The purpose of this measure is to suspend the statute of limitations on certain collection activities during the period an assessment is pending on appeal before the Taxation Board of Review or Tax Appeal Court.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure ensures that the State has the opportunity to collect taxes once the appeal process is concluded, regardless of the duration of the appeal. Without this suspension, taxpayers could potentially delay or avoid tax payments by prolonging the appeal process, which could harm the State's revenue system and disrupt the fairness of tax enforcement. This measure helps maintain the integrity of tax collections while protecting the taxpayer's right to a fair review process.

2025-1897 HB1150 HD1 HSCR HMSO

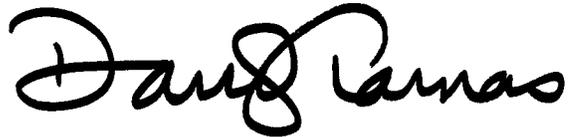


Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1150, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



