

STAND. COM. REP. NO. 601

Honolulu, Hawaii

Feb 20, 2009

RE: H.B. No. 1242
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred H.B. No. 1242, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to maximize the tax revenues collected by the State by requiring the Department of Taxation to establish a taxpayer noncompliance identification program.

IBM and a concerned individual testified in support of this bill. The Department of Taxation and State of New York Department of Taxation and Finance offered comments.

Your Committee finds that for the past seven years, the State of New York has successfully used a taxpayer noncompliance identification program to address its tax gap. In mid-2008, the State of New York's tax revenue savings were estimated to be at \$600,000,000.

Your Committee considers the program in this bill to be of the highest priority for the State of Hawaii. Establishment of the program, for which the necessary infrastructure already exists, would be funded by moneys captured through the program, and would allow the State to address its tax gap using a mechanism that does not violate civil rights.

HB1242 HD1 HSCR EBM HMS 2009-2365



As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1242, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization, Business, &
Military Affairs,

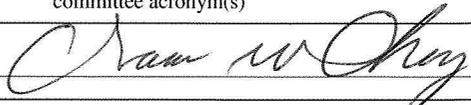


ANGUS L.K. MCKELVEY, Chair



HSCR 601

Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs

Bill/Resolution No.: HB 1242 HD1	Committee Referral: EBM, FIN	Date: 02/19/09		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. BERG, Lyla B.	✓			
4. EVANS, Cindy	✓			
5. MANAHAN, Joey	✓			
6. TAKAI, K. Mark				
7. TOKIOKA, James Kunane	✓			
8. TSUJI, Clift	✓			
9. WAKAI, Glenn	✓			
10. WOOLEY, Jessica	✓			
11. WARD, Gene	✓			
TOTAL (11)	10			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				