

Honolulu, Hawaii

MAR 06 2009

RE: S.B. No. 194
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B.
No. 194, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to protect taxpayers from
unscrupulous income tax return preparers.

Specifically, this measure:

- (1) Requires tax refunds to be directly deposited into a taxpayer's own account, instead of a paid income tax return preparer's account;
- (2) Requires a paid income tax return preparer to sign any tax return or claim for refund prepared on behalf of a client taxpayer; and
- (3) Establishes penalties if a paid income tax return preparer violates the provisions of this measure.

Your Committee finds that concerns have been raised that this measure applies only to paid income tax return preparers, and would not provide protection against violations committed by unpaid income tax return preparers. In light of these concerns, your Committee has amended this measure by:



- (1) Adding a definition of the term "income tax return preparer" that is similar to the definition in the federal Internal Revenue Code; and
- (2) Making the provisions of the measure applicable to unpaid income tax return preparers as well as paid income tax return preparers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 194, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 194, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

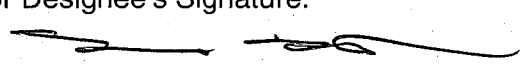


DONNA MERCADO KIM, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

| | | | | |
|---|--|---|-----|---------|
| Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 194, SDI</div> | Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">JGO, WAM</div> | Date: <div style="font-size: 1.2em; font-family: cursive;">MAR 2, 2009</div> | | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div> <input type="checkbox"/> Pass, unamended 2312 </div> <div> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div> <input type="checkbox"/> Hold 2310 </div> <div> <input type="checkbox"/> Recommit 2313 </div> </div> | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| KIM, Donna Mercado (C) | / | | | |
| TSUTSUI, Shan S. (VC) | / | | | |
| CHUN OAKLAND, Suzanne | / | | | |
| ENGLISH, J. Kalani | / | | | |
| FUKUNAGA, Carol | / | | | |
| GALUTERIA, Brickwood | / | | | |
| HEE, Clayton | / | | | |
| HOOSER, Gary L. | / | | | |
| KIDANI, Michelle N. | / | | | |
| KOKUBUN, Russell S. | | | | / |
| TOKUDA, Jill N. | / | | | |
| HEMMINGS, Fred | / | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL | 11 | 0 | 0 | 1 |
| Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div> | | | | |
| Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-top: 10px;">  </div> | | | | |
| Distribution: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div> | | | | |

*Only one measure per Record of Votes