

SB2752

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**SENATE COMMITTEE ON JUDICIARY & GOVERNMENT OPERATIONS
TESTIMONY REGARDING SB 2752
RELATING TO TAX ADMINISTRATION**

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)

DATE: FEBRUARY 8, 2010

TIME: 9:30AM

ROOM: 016

This measure provides for a cost recovery order issuable by a circuit court for investigation costs when a taxpayer is convicted of a tax crime.

The Department of Taxation (Department) **strongly supports** this measure.

The purpose of this measure is to provide for the mandatory assessment of administrative costs associated with investigating tax crimes when a taxpayer is convicted of a tax offense or has a conviction deferred. This measure serves as further deterrence for tax evasion and other similar behavior.

A tax system is only as effective as the deterrence mechanisms available to curb its abuse. When jail sentences are impractical or convictions are deferred, the criminal deterrence mechanism is reduced. This measure boosts the deterrence by requiring criminals to pay for the cost of investigating their crimes.