## A BILL FOR AN ACT

RELATING TO TAX CLEARANCE FEES.

## BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. Taxpayers are required to obtain tax clearances
- 2 from the department of taxation for various purposes, including
- 3 obtaining a government contract or receiving final payment on a
- 4 government contract. Currently, taxpayers may obtain tax
- 5 clearances without paying a fee for the tax clearance. The
- 6 department of taxation processes approximately twenty thousand
- 7 to thirty thousand tax clearance applications per year. In
- 8 addition, certified copies of the tax clearance can also be
- 9 obtained from the department of taxation without paying a fee.
- 10 Approximately thirty thousand certified copies of tax clearances
- 11 are provided each year.
- 12 The purpose of this Act is to allow the department of
- 13 taxation to impose a \$20 fee for a tax clearance application and
- 14 a \$5 fee to obtain a certified copy of a tax clearance.
- 15 SECTION 2. Chapter 231, Hawaii Revised Statutes, is
- 16 amended by adding a new section to be appropriately designated
- 17 and to read as follows:

- 1 "§231- Tax clearance fees. The department may charge a
- 2 fee of \$20 for each tax clearance application submitted and \$5
- 3 for each certified copy of a tax clearance."
- 4 SECTION 3. New statutory material is underscored.
- 5 SECTION 4. This Act shall take effect upon its approval
- 6 and shall apply to requests for tax clearances and requests for
- 7 certified copies of tax clearances received on or after July 1,
- 8 2012.

## Report Title:

Tax Clearances

## Description:

Imposes fees to obtain a tax clearance or a certified copy of a tax clearance. (HB2606 HD1)

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