

STAND. COM. REP. NO.

2053

Honolulu, Hawaii

MAR 03 2016

RE: S.B. No. 2926

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2926, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ADMINISTRATIVE TAX APPEALS AND DISPUTE RESOLUTION PROGRAM,"

begs leave to report as follows:

The purpose and intent of this measure is to address the Department of Taxation's expedited appeals and dispute resolution program.

Specifically, this measure amends section 231-7.5, Hawaii Revised Statutes, by:

- (1) Changing the name of the program to the administrative appeals and dispute resolution program;
- (2) Changing the title of the appeals officer from independent appeals officer to administrative appeals officer;
- (3) Making both taxpayers and return preparers eligible to petition to participate in the administrative appeals and dispute resolution program; and
- (4) Establishing conditions, procedures, and deadlines for submitting a petition to participate in the administrative appeals and dispute resolution program.



Your Committee received written comments in support of this measure from the Department of Taxation.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the expedited appeals and dispute resolution program of the Department of Taxation was established by Act 166, Session Laws of Hawaii 2009, to provide taxpayers a streamlined method to quickly and fairly resolve tax disputes over proposed or final assessments. The program was intended to be similar to the Appeals Office of the Internal Revenue Service. Your Committee further finds that this measure will clarify procedural requirements and conform the program more closely to appeals programs offered by the Internal Revenue Service.

Your Committee notes that concerns have been raised that the measure is unclear with regard to the address to which a notice of proposed assessment must be sent. Your Committee respectfully requests that, should this measure be heard by other standing committees, there be further discussion regarding these concerns.

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. 2926, S.D. 1, and recommends that it pass Third Reading.

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

  
\_\_\_\_\_  
JILL N. TOKUDA, Chair



The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

|  |  |                         |            |                |
|--|--|-------------------------|------------|----------------|
| Bill / Resolution No.:*<br><b>SB 2926, SD1</b>   | Committee Referral:<br><b>SDL, WAM</b> | Date:<br><b>8/25/16</b> |            |                |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |  |                         |            |                |
| The Recommendation is:<br><input checked="" type="checkbox"/> <b>Pass, unamended</b> 2312 <input type="checkbox"/> <b>Pass, with amendments</b> 2311 <input type="checkbox"/> <b>Hold</b> 2310 <input type="checkbox"/> <b>Recommit</b> 2313 |  |                         |            |                |
| <b>Members</b>   | <b>Aye</b>                             | <b>Aye (WR)</b>         | <b>Nay</b> | <b>Excused</b> |
| TOKUDA, Jill N. (C)  | //                                     |                         |            |                |
| DELA CRUZ, Donovan M. (VC)   | //                                     |                         |            |                |
| CHUN OAKLAND, Suzanne  |  |                         |            | /              |
| ENGLISH, J. Kalani   | /                                      |                         |            |                |
| GALUTERIA, Brickwood   |  |                         |            | /              |
| HARIMOTO, Breene   | /                                      |                         |            |                |
| INOUE, Lorraine R.   | //                                     |                         |            |                |
| RIVIERE, Gil   | //                                     |                         |            |                |
| TANIGUCHI, Brian T.  | //                                     |                         |            |                |
| WAKAI, Glenn   | /                                      |                         |            |                |
| SLOM, Sam  | //                                     |                         |            |                |
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| <b>TOTAL</b>   | <b>9</b>                               |                         |            | <b>2</b>       |
| Recommendation: <input checked="" type="checkbox"/> <b>Adopted</b> <input type="checkbox"/> <b>Not Adopted</b>   |  |                         |            |                |
| Chair's or Designee's Signature:   |  |                         |            |                |
| <b>Distribution:</b> Original     Yellow     Pink     Goldenrod<br>File with Committee Report   Clerk's Office   Drafting Agency   Committee File Copy   |  |                         |            |                |

**\*Only one measure per Record of Votes**