STAND. COM. REP. NO. 3032

Honolulu, Hawaii

## FEB 2 8 2020

H.B. No. 1049 RE:

> H.D. 1 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1049, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to improve the Department of Taxation's ability to administer taxes.

More specifically, this measure makes various technical amendments to Chapters 231, 243, 244D, and 245, Hawaii Revised Statutes.

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

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

Your Committee finds that, according to the Department of Taxation, Chapters 243 (fuel tax law), 244D (liquor tax law), and 245 (cigarette tax and tobacco tax law), Hawaii Revised Statutes, have not been reviewed for technical housekeeping amendments in many years. Your Committee believes that this measure will add clarity to the State's tax laws and allow for more effective administration.

Your Committee has amended this measure by:

- (1) Adding a new section to Chapter 243, Hawaii Revised Statutes, to incorporate relevant provisions of Chapters 235 (income tax law) and 237 (general excise tax law), Hawaii Revised Statutes;
- (2) Amending sections in Chapters 243, 244D, and 245, Hawaii Revised Statutes, related to licensing and permitting, to operate in a consistent manner;
- (3) Repealing an obsolete provision in section 243-2, Hawaii Revised Statutes, regarding the licensing of fuel distributors:
- (4) Amending section 243-10, Hawaii Revised Statutes, to clarify that, other than information specifically designated as public records, fuel tax return information is confidential;
- (5) Removing direct wine shipper permits from the definition of "dealer" in section 244D-1, Hawaii Revised Statutes;
- (6) Amending section 245-33, Hawaii Revised Statutes, to reduce the amount refunded to taxpayers for unused cigarette tax stamps by any amount of discounted purchase price received under section 245-22(e), Hawaii Revised Statutes; and
- (7) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

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 H.B. No. 1049, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1049, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

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

DONOVAN M. DELA CRUZ, Chair

## The Senate Thirtieth Legislature State of Hawai'i

## Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee Referral:			Date:		
HB 1049 HD 1	WAM			2/11/20		
The Committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended X Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (WF	٦)	Nay	Excused
DELA CRUZ, Donovan M. (C)		×				· .
KEITH-AGARAN, Gilbert S.C. (VC)		X				· · · · · · · · · · · · · · · · · · ·
ENGLISH, J. Kalani						X
HARIMOTO, Breene		×				
INOUYE, Lorraine R.		×				
KAHELE, Kaiali'i						X
KANUHA, Dru Mamo		X				-
KIDANI, Michelle N.		X				
MORIWAKI, Sharon Y.		X				
RIVIERE, Gil		X				
SHIMABUKURO, Maile S.L.		X				
TANIGUCHI, Brian T.		X				
FEVELLA, Kurt		У				
TOTAL		ιl				2_
Recommendation:		Not Adopted				
Chair's or Designee's Signature:						
Elle Scholle						
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy						

<sup>\*</sup>Only one measure per Record of Votes