STAND. COM. REP. NO. 7

Honolulu, Hawaii **FEB 12**, 2021 RE: H.B. No. 65 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 65 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to require a tax clearance before the issuance or renewal of a professional or vocational license under the jurisdiction of the Department of Commerce and Consumer Affairs.

Your Committee received testimony in support of this measure from the Department of Taxation and one individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Tax Foundation of Hawaii.

Your Committee finds that ensuring persons are complying with the State's tax laws is more critical now than ever as the State faces an unprecedented budget deficit due to the COVID-19 pandemic. However, your Committee notes that there are a substantial number of professional and vocational licensees in the State and processing all of their tax clearances must be accomplished in an efficient manner.

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Your Committee has amended this measure by:

- Clarifying that a tax clearance certificate may be issued if the applicant or licensee is in compliance with all applicable tax laws, rather than if the applicant or licensee is not subject to income tax;
- (2) Requiring the Departments of Taxation and Commerce and Consumer Affairs to jointly implement a procedure or system to efficiently process and issue clearance requests and responses;
- (3) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 65, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 65, H.D. 1, and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

JOHANSON, Chair



State of Hawaii House of Representatives The Thirty-first Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 65	HB 65 Committee Referral: CPC, FIN		Date: 2/4/2021		
□ The committee is reconsidering its previous decision on the measure.					
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 					
CPC Members	Ayes	Ayes (WR)	Nays	Excused	
1. JOHANSON, Aaron Ling (C)					
2. KITAGAWA, Lisa (VC)					
3. AQUINO, Henry J.C.					
4. HAR, Sharon E.					
5. HASHEM, Mark J.					
6. KONG, Sam Satoru					
7. MIZUNO, John M.	V				
8. MORIKAWA, Dee					
9. ONISHI, Richard H.K.					
10. TARNAS, David A.					
11. MATSUMOTO, Lauren					
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TOTAL (11)					
The recommendation is: Image: Adopted life interval Image: Not Adopted life interval If joint referral,					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					