STAND. COM. REP. NO. 356

Honolulu, Hawaii **FEB 18 2021** RE: S.B. No. 787

S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 787 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- Require that revenue estimates provided by the Department of Taxation to the Legislature or to any executive or administrative office be accompanied by a description of the methodology used and assumptions made in providing the estimate; and
- (2) Require the estimate and description to be open to public disclosure.

Your Committee received testimony in support of this measure from the Civil Beat Law Center for the Public Interest and one individual. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that the existing language of this measure may inadvertently mandate the disclosure of confidential taxpayer information. According to testimony received by your Committee, the disclosure of confidential taxpayer information leads to distrust in the voluntary tax compliance system and the



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erosion of tax revenue. Your Committee finds that the Department of Taxation can provide the estimate and description required in this measure without disclosing any confidential taxpayer information.

Your Committee has amended this measure by removing language that would have exempted the revenue estimate and description from laws that restrict the disclosure of a tax return or tax return information.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 787, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 787, S.D. 1, and be referred to your Committee on Ways and Means.

> Respectfully submitted on behalf of the members of the Committee on Government Operations,

SHARON M



## The Senate Thirty-First Legislature State of Hawaiʻi

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## Record of Votes Committee on Government Operations GVO

Bill / Resolution No.:*	Committee		Da	iter (	í
SB 787	Gvo,	WAM		19/2	1
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
MORIWAKI, Sharon Y. (C)		/			
DELA CRUZ, Donovan M. (VC)					
CHANG, Stanley					
GABBARD, Mike		/			
FEVELLA, Kurt		/			
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TOTAL		7			
Recommendation:					
Chair's or Designee's Signature					
Distribution: Original Yellow Pink Goldenrod   File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

\*Only one measure per Record of Votes