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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1       SECTION 1. Chapter 231, Hawaii Revised Statutes, is  
2       amended by adding a new section to be appropriately designated  
3       and to read as follows:

4       "§231-       Failure to respond; inspection or examination of  
5       records. (a) No person shall fail to timely:

6           (1) Reply to the department; or

7           (2) Acknowledge correspondence or an inquiry from the  
8           department,

9       with respect to the department's actual or attempted inspection  
10       or examination of records under section 231-3(6).

11       (b) Except as provided in subsection (c), a person who  
12       violates this section shall be subject to a civil penalty equal  
13       to twenty-five per cent of the any state taxes owed, as based on  
14       the records; provided that the penalty shall not exceed \$10,000.

15       (c) The director may waive the penalty imposed in  
16       subsection (b) for reasonable cause."



1       SECTION 2. This Act does not affect rights and duties that  
2 matured, penalties that were incurred, and proceedings that were  
3 begun before its effective date.

4       SECTION 3. New statutory material is underscored.

5       SECTION 4. This Act shall take effect on July 1, 2022.

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**Report Title:**

DOTAX; Inspection; Examination; Records; Correspondence;  
Penalties

**Description:**

Establishes a civil penalty for failure to respond to the  
department of taxation in relation to an inspection or  
examination of records. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is  
not legislation or evidence of legislative intent.*

