Honolulu, Hawaii

FEB 15 , 2022

RE: H.B. No. 1490

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 1490 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish a civil penalty for failure to respond to an inquiry or request for information during a state tax examination or investigation.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that existing law is silent regarding a taxpayer who fails to respond to the Department of Taxation's inquiry or request for information during an examination or investigation. This measure will ensure that the Department of Taxation can effectively carry out its investigations, thereby promoting taxpayer compliance and efficient tax administration.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B.

2022-1263 HB1490 HSCR HMSO

STAND. COM. REP. NO. **360**-22 Page 2

No. 1490 and recommends that it pass Second Reading and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Economic Development,

SEAN OUINLAN, Chair

State of Hawaii

House of Representatives The Thirty-first Legislature House of Representatives House of Representatives House of Representatives

Record of Votes of the Committee on Economic Development

Bill/Resolution No.: HB 1490	Committee Referral:	FIN Date	2/9/22	_
☐ 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)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. QUINLAN, Sean (C)			8 1977 M. 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
2. HOLT, Daniel (VC)				
2 DELATTI Delle Au				
3. BELATTI, Della Au				
4. KOBAYASHI, Dale T.	<u> </u>			
5. ONISHI, Richard H.K.		ida sama mada da da Taring <u>ila p</u> hingining da at dalah membelah	Facility of the profit family of the master of the second	
6. SAYAMA, Jackson D.	J	a upu mujumu jim su un ugu o 1111 • · · · ·		
7. TAKAYAMA, Gregg				
e ovimoto val				
8. OKIMOTO, Val	V			
	-			
TOTAL (8)	8	O	D	0
The recommendation is: Adopted				
If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				