STAND. COM. REP. NO. 755 -22

Honolulu, Hawaii

FEB 15 ' 2022

RE: H.B. No. 1492 H.D. 1

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. 1492 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 a communication from the Department of Taxation that is related to an inspection or examination of records.

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 the consequences for a taxpayer who fails to respond to the Department of Taxation during an official inspection or examination of records. This measure enables the Department of Taxation to effectively promote taxpayer compliance and efficient tax administration by establishing penalties for those who fail to respond to a departmental inquiry.

Your Committee has amended this measure by 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 Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1492, H.D. 1, and be referred to your Committee on Finance.

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

SEAN QUINLAN, Chair

State of Hawaii



Record of Votes of the Committee on Economic Development

Bill/Resolution No.: HB 1492	Committee Referral:	CD FIN Dat	2/9/2	.2
☐ 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)				
2. HOLT, Daniel (VC)				
3. BELATTI, Della Au				
4. KOBAYASHI, Dale T.				
				n Billia 24 Mai Bata Masan da da da
5. ONISHI, Richard H.K.		1. 人名英斯斯 瓜 积 27 1 2		
6. SAYAMA, Jackson D.				
6. SAYAMA, Jackson D.				
7. TAKAYAMA, Gregg				
8. OKIMOTO, Val				
			-	
				-
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TOTAL (8)	8	D	0	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				