## STAND. COM. REP. NO. 716 -24

Honolulu, Hawaii FEB 29, 2024

RE: H.B. No. 1805 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1805, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE PROCEDURE FOR PAYMENT UNDER PROTEST LAWSUITS,"

begs leave to report as follows:

The purpose of this measure is to:

- Specify that interest earned on payments made by a claimant under protest and paid by the Litigated Claims Fund shall be paid in nontaxation cases at a rate other than two percent if the claimant prevails; and
- (2) Establish a procedure for the disposition of monies and refiling of actions when a payment under protest suit is filed prematurely.

Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee notes the Department of Taxation's comments in testimony and suggested amendment to align the time limit to bring an action to recover payment of taxes made under protest for a premature payment and for a properly made payment, to both be thirty days. Your Committee finds that this suggestion merits

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further consideration as this measure moves through the legislative process.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1805, H.D. 1, and recommends that it pass Third Reading.

> Respectfully submitted on behalf of the members of the Committee on Finance,

KYLE T. YAMASHITA, Chair

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State of Hawaii House of Representatives The Thirty-second Legislature

## Record of Votes of the Committee on Finance

Bill/Resolution No.: HB1805 HD1	Committe JHA,	e Referral:	Date	10212020	
HB1805 HD1JHA, FIN02/22/2024The committee is reconsidering its previous decision on the measure.					
The recommendation is to: D Pass, unamended (as is) Pass, with amendments (HD) Hold					
Pass short form bill with HD to recommit for future public hearing (recommit)					
FIN Mem	bers	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle I	E. (C)	/			
2. KITAGAWA, Lisa (V	<b>C</b> )				
3. AIU, Micah P.K.		$\checkmark$			
4. CHUN, Cory M.		<u> </u>			
5. COCHRAN, Elle					$\checkmark$
6. GARRETT, Andrew 7	l'akuya	<u> </u>			George Contraction of the Contra
7. KAHALOA, Kirstin		<u> </u>	· · · · · · · · · · · · · · · · · · ·		
8. KILA, Darius K. 9. KOBAYASHI, Bertra			Q2		
10. LAMOSAO, Rachele	Contraction of the second s	V			
11. MORIKAWA, Dee					
12. NISHIMOTO, Scott Y					
13. POEPOE, Mahina					
14. TAKENOUCHI, Jenn	a .				
15. ALCOS III, David			- In Research and		
16. WARD, Gene		$\checkmark$	and a second		
1					
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		-			
TOTAL (	16)	13	D	()	3
The recommendation is:	Adopted	Not Adopted		V	
If joint referral, did not support recommendation.					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					