

STAND. COM. REP. NO. **3712**

Honolulu, Hawaii

APR 05 2024

RE: H.B. No. 2485
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2485, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE TAX ADMINISTRATION,"

begs leave to report as follows:

The purpose and intent of this measure is to make certain amendments to state taxation law.

Specifically, the measure:

- (1) Repeals a \$5 fee for each certified copy of a tax clearance;
- (2) Establishes a \$500 fine for failure to comply with reporting requirements under the general excise tax law and transient accommodations tax law for collection of rent by a third party; and
- (3) Increases from \$50 to \$1,000 the unfair competition fine under the general excise tax law.

Your Committee received written comments in support of this measure from the Department of Taxation.



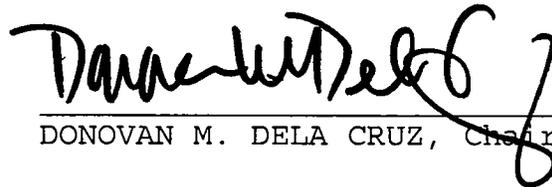
Your Committee received written comments on this measure from the Travel Technology Association, Expedia Group, and one individual.

Your Committee finds that the \$5 fee for each certified copy of a tax clearance is outdated because the Department of Taxation no longer certifies tax clearances. Your Committee also finds that although current law requires every person authorized to collect rent on behalf of an owner of real property in the State to provide certain information to the Department, there is currently no penalty for the failure to comply. Your Committee further finds that the fine in the general excise law for unfair competition has not been increased since 1935, and an increase is necessary to adjust for inflation.

Your Committee has amended this measure by making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2485, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2485, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



