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

Honolulu, Hawaii

## APR 0 5 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Your Committee finds that the \$5 fee for each certified copy of a tax clearance is outdated because the Department of Taxation no longer certifies tax clearances.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.

## The Senate Thirty-Second Legislature State of Hawai'i

## Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee Referral:			Date:	
HB2485 HDI SDI	JIC,	WAM		4/312024	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WF	R) Nay	Excused
DELA CRUZ, Donovan M. (C)		X			
MORIWAKI, Sharon Y. (VC)		入			
AQUINO, Henry J.C.		X			
DECOITE, Lynn					×
HASHIMOTO, Troy N.		<b>×</b>			
INOUYE, Lorraine R.		Χ			
KANUHA, Dru Mamo		×			
KIDANI, Michelle N.					X
KIM, Donna Mercado		X			
LEE, Chris		X			
SHIMABUKURO, Maile S.L.		X			
WAKAI, Glenn		X			
FEVELLA, Kurt		X			
TOTAL		11	0	Õ	2
Recommendation:  Adopted  Not Adopted					
Chair's(or Designee's Signature:					
Distribution: Original File with Committee Re	Yellow eport Clerk's Office		Pink Drafting Ager	Goldenrod ncy Committee File Copy	

\*Only one measure per Record of Votes