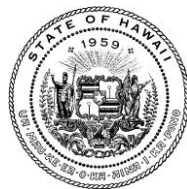


JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259

HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 3177, Relating to the Taxation Board of Review.

BEFORE THE:

Senate Committee on Ways and Means

DATE: Tuesday, February 13, 2024

TIME: 10:00 a.m.

LOCATION: State Capitol, Room 211

Chair Dela Cruz, Vice-Chair Moriwaki, and Members of the Committee:

The Department of Taxation ("Department") supports S.B. 3177, an Administration measure, and offers the following comments for your consideration.

S.B. 3177 amends section 232-6(b), Hawaii Revised Statutes (HRS), which requires that the Chairperson of the Taxation Board of Review be either an attorney licensed to practice law in all courts of the State, or a certified public accountant (CPA) with experience in the State, to instead provide that the Chairperson must be an attorney or accounting professional with experience in Hawai'i state taxes. The measure is effective upon approval.

The current licensing requirements to serve as Chairperson of the Taxation Board of Review do not necessarily reflect whether a person has the knowledge or experience to serve as the chairperson, as any attorney or CPA may currently qualify to serve as the Chairperson even if they do not have experience in Hawai'i tax.

The current requirements have also proven an obstacle to attracting candidates. Attorneys or accounting professionals who have retired from their profession or who have been employed in positions that have not required them to maintain an active license would not be able to qualify as the chairperson under current law.

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This measure is intended to allow a wider pool of potential candidates with relevant experience in State tax law to apply for the Chairperson position.

Thank you for the opportunity to provide testimony in support of this important measure.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: APPEALS, Qualifications of the Chair of the Taxation Board of Review

BILL NUMBER: HB 2488, SB 3177

INTRODUCED BY: HB by SAIKI; SB by KOUCHI (Governor's Package)

EXECUTIVE SUMMARY: Amends the minimum qualifications for the Chairperson of the Taxation Board of Review.

SYNOPSIS: Amends section 232-6(b), HRS, to change the requirement for the Chair of the Taxation Board of Review from (1) an attorney or certified public accountant, to (2) an attorney or accounting professional with experience in Hawaii state taxes.

EFFECTIVE DATE: Upon approval.

STAFF COMMENTS: This is an Administration measure sponsored by the Department of Taxation and designated TAX-05 (24).

The justification sheet accompanying the bill states that:

current licensing requirements have made it difficult to attract applicants who would otherwise have the knowledge or experience to serve as the Chairperson, such as persons who have retired from their profession or who have been employed in positions that have not required them to maintain an active license.

The bill appears to be a reasonable way of addressing the problem that motivated the Department of Taxation to introduce this bill.

Digested: 2/4/2024

SB-3177

Submitted on: 2/10/2024 1:28:52 PM

Testimony for WAM on 2/13/2024 10:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Gerard Silva | Individual | Oppose | Written Testimony Only |

Comments:

NOT for Hawaii. Taxes are ilegal. Not part of the Consitution!!!