

STAND. COM. REP. NO. 262-24

Honolulu, Hawaii

FEB 12 , 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 Judiciary & Hawaiian Affairs, to which was referred H.B. No. 1805 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:

- (1) Allow for the interest earned on payments under protest in the litigated claims fund to be paid in nontaxation cases 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 has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and

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- (2) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

Your Committee finds that the Department of Taxation testified that state law currently requires any action to recover payment of taxes under protest to be commenced in the Tax Appeal Court within the thirty-day period after payment under protest. The Department of Taxation requested that this measure be amended to require that the refiling of a premature action to recover payment of taxes paid under protest also be brought within thirty days after a final agency decision is made.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider addressing the Department of Taxation's comments.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1805, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



