Honolulu, Hawaii

FEB 13 , 2024

RE: H.B. No. 2485 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. 2485 entitled:

"A BILL FOR AN ACT RELATING TO STATE TAX ADMINISTRATION," begs leave to report as follows:

The purpose of this measure is to:

- (1) Repeal an obsolete fee for a certified copy of a tax clearance;
- (2) Add a penalty for failure to comply with reporting requirements under general excise tax law and transient accommodations tax law for collection of rent by a third party; and
- (3) Raise the unfair competition penalty under general excise tax law to adjust for inflation.

Your Committee received testimony in support of this measure from the Department of Taxation and one individual. Your Committee received comments on this measure from Tax Foundation of Hawaii.

Your Committee finds that the updated fees for tax clearances and the updated penalty for unfair competition will improve tax administration and efficiency for the Department of Taxation.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 2485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2485, 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

State of Hawaii House of Representatives The Thirty-second Legislature

HSCR 288-24

Record of Votes of the Committee on Judiciary & Hawaiian Affairs

Bill/Resolution No.: Committee	e Referral:	Date	02-	06-24
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
JHA Members	Ayes	Ayes (WR)	Nays	Excused
1. TARNAS, David A. (C)	1			
2. TAKAYAMA, Gregg (VC)				
3. EVSLIN, Luke A.		* ************************************		
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4. GANADEN, Sonny				
5. HOLT, Daniel	Comercial Commercial C			
6. ICHIYAMA, Linda		49/45 F2406 B10		
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7. ILAGAN, Greggor		30 (00) 113 (02) 12	 VPT 2: E1	AND THE RESERVE OF THE PARTY OF
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8. KONG, Sam Satoru				
9. MIYAKE, Tyson K.				
10. SOUZA, Kanani	/			
TOTAL (10)	9	-		<u> </u>
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				