

ACT 303

S.B. NO. 1421

A Bill for an Act Relating to Taxation.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 231-34, Hawaii Revised Statutes, is amended to read as follows:

“§231-34 Attempt to evade or defeat tax. Any person who wilfully attempts in any manner to evade or defeat any tax imposed under title 14, or [the] its payment [thereof], in addition to other penalties provided by law, shall be guilty of a class C felony and, upon conviction [thereof], shall be [fined] subject to one or any combination of the following:

- (1) A fine of not more than \$100,000 [or imprisoned];
- (2) Imprisonment of not more than five years[, or both]; or
- (3) Probation;

provided that a corporation shall be fined not more than \$500,000.”

SECTION 2. Section 231-35, Hawaii Revised Statutes, is amended to read as follows:

“§231-35 Wilful failure to file return, supply information, or secure a license. Any person required to make a return, make a report, keep any records, supply any information, or secure [a] any license required under title 14, who wilfully fails to make the return, make the report, keep the records, supply the information, or secure the license, at the time or times required by law, shall in addition to other penalties provided by law, be guilty of a misdemeanor and upon conviction [thereof], shall be [fined] subject to one or any combination of the following:

- (1) A fine of not more than \$25,000 [or imprisoned];
- (2) Imprisonment of not more than one year[, or both]; or
- (3) Probation;

provided that a corporation shall be fined not more than \$100,000.”

SECTION 3. Section 231-36, Hawaii Revised Statutes, is amended to read as follows:

“§231-36 False and fraudulent statements; aiding and abetting. (a) Any person who wilfully makes and subscribes any return, statement, or other document required to be made under title 14, except chapter 238, which contains or is verified by a written declaration that it is true and correct as to every material matter, and which the person does not believe to be true and correct as to every material matter shall be guilty of a class C felony and, upon conviction [thereof], shall be [fined] subject to one or any combination of the following:

- (1) A fine of not more than \$100,000 [or imprisoned];
- (2) Imprisonment of not more than three years[, or both]; or
- (3) Probation;

provided that a corporation shall be fined not more than \$500,000; and provided further that, if the person wilfully makes and subscribes any return, statement, or other document required to be made under chapter 238, which contains or is verified by a written declaration that it is true and correct as to every material matter and which the person does not believe to be true and correct, then the person shall be guilty of a misdemeanor and, upon conviction [thereof], shall be [fined] subject to one or any combination of the following:

- (1) A fine of not more than \$2,000[, or imprisoned];
- (2) Imprisonment of not more than one year[, or both.]; or
- (3) Probation.

(b) Any person who wilfully aids or assists in, or procures, counsels, or advises the preparation or presentation of any tax return, affidavit, claim, or other document required to be made under title 14, which is fraudulent or is false as to any material matter, regardless of whether the falsity or fraud is with the knowledge or consent of the person authorized or required to present the return, affidavit, claim, or document shall be guilty of a class C felony and, upon conviction [thereof], shall be [fined] subject to one or any combination of the following:

- (1) A fine of not more than \$100,000 [or imprisoned];
- (2) Imprisonment of not more than three years[, or both]; or
- (3) Probation;

provided that a corporation shall be fined not more than \$500,000.”

SECTION 4. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved July 6, 1999.)