

## ACT 202

S.B. NO. 2838

A Bill for an Act Relating to Taxation.

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

SECTION 1. The purpose of this Act is to:

- (1) Allow an individual taxpayer who files an electronic income tax return to request the department of taxation to electronically deposit the taxpayer's income tax refund into a maximum of three checking or savings accounts; and
- (2) Require the director of taxation to continue to visit low-income communities to assist in the preparation of tax filings.

SECTION 2. Chapter 235, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§235- Refund splitting.** (a) Any individual taxpayer required to make a return under this chapter shall be entitled to direct the deposit of an income tax refund into a maximum of three checking or savings accounts at a financial institution; provided that a taxpayer designating the direct deposit shall have electronically filed the

taxpayer's return for federal and state income taxes and made a similar direct deposit electronic designation to the same checking or savings accounts on the electronic return.

(b) The department of taxation shall be authorized to modify and revise its returns and computer systems to carry out the purposes of this section.”

SECTION 3. Section 26-10, Hawaii Revised Statutes, is amended to read as follows:

“§26-10 Department of taxation. (a) The department of taxation shall be headed by a single executive to be known as the director of taxation.

(b) The department shall administer and enforce the tax revenue laws of the State and collect all taxes and other payments payable thereunder.

(c) The director of taxation shall visit low-income communities to assist taxpayers in the preparation of tax filings. The qualification of and the visitation to specific low-income communities shall be at the discretion of the director; provided that the visitation shall be on an annual basis and statewide.

(d) There shall be within the department of taxation a board of review for each taxation district and a tax appeal court. The composition of each board of review and the tax appeal court and its respective functions, duties, and powers shall be as heretofore provided by law for the boards of review and tax appeal court existing immediately prior to November 25, 1959.

(e) The functions and authority heretofore exercised by the office of tax commissioner as heretofore constituted are transferred to the department of taxation established by this chapter.”

SECTION 4. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect upon its approval and shall apply to taxable years beginning after December 31, 2007.

(Approved June 24, 2008.)

**Note**

1. Edited pursuant to HRS §23G-16.5.