

ACT 49

S.B. NO. 1467

A Bill for an Act Relating to Tax Appeals.

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

SECTION 1. Section 232-5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Any protesting taxpayer who would incur a total tax liability, not including penalties and interest, of less than \$1,000, by reason of the protested assessment or payment in question, may elect to employ the procedure established by this section upon:

- (1) Payment per taxpayer of a nonrefundable filing fee set pursuant to rules adopted by the supreme court, which shall not exceed \$25; and
- (2) Filing with the tax appeal court a written statement of the facts in the case, together with a waiver of the right to further appeal.

The tax appeal court shall cause a notice of the appeal and a copy of the statement to be served on the director of taxation and in the case of an appeal involving the department of taxation, or on the real property assessment division of the county involved in the case of an appeal [from a decision] involving [a] the county [as a party, the real property assessment division of the county involved.], or upon both the director of taxation and the real property assessment division of the county involved in the case of an appeal involving both the department of taxation and the county.”

SECTION 2. Section 232-16, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) A taxpayer or county may appeal directly to the tax appeal court without appealing to the state taxation board of review or any equivalent administrative body established by county ordinance; provided that a taxpayer appealing a real property tax assessment shall first obtain a decision from an administrative body established by county ordinance, before appealing to the tax appeal court, if county ordinance requires a taxpayer to do so. An appeal permitted by law to the tax appeal court is properly commenced by filing, on or before the date fixed by law for the taking of the appeal, a written notice of appeal in the office of the tax appeal court and by service of the notice of appeal on the director of taxation [and,] in the case of an appeal involving the department of taxation, or on the real property assessment division of the county involved in the case of an appeal [from a decision] involving the county [as a party, the real property assessment division of the county involved.], or upon both the director of taxation and the real property assessment division of the county involved in the case of an appeal involving both the department of taxation and the county. An appealing taxpayer shall also pay the costs in the amount fixed by section 232-22.”

SECTION 3. Section 232-17, Hawaii Revised Statutes, is amended to read as follows:

“**§232-17 Appeals from taxation board of review to tax appeal court.** An appeal shall lie to the tax appeal court from the decision of the state taxation board of review, or equivalent administrative body established by county ordinance. An appeal to the tax appeal court shall be properly commenced by the filing, by the taxpayer, county, or director of taxation, of a written notice of appeal in the office of the tax appeal court within thirty days after the filing of the decision of the state taxation board of review or an equivalent county ad-

ministrative body, and, in the case of any appealing taxpayer, the payment of the costs of court in the amount fixed by section 232-22, and service of the notice of appeal on the director of taxation ~~[and,] in the case of an appeal involving the department of taxation, or on the real property assessment division of the county involved in the case of an appeal [from a decision] involving the county [as a party, the real property assessment division of the county involved:], or upon both the director of taxation and the real property assessment division of the county involved in the case of an appeal involving both the department of taxation and the county.~~ A notice of appeal shall be sufficient if it states that the taxpayer, county, or director of taxation appeals from the decision of the state taxation board of review, or an equivalent county administrative body, to the tax appeal court and may be amended at any time. The appeal shall bring up for determination all questions of fact and all questions of law, including constitutional questions involved in the appeal.

In case of an appeal by the county or director of taxation, a copy of the notice of appeal shall be forthwith delivered or mailed to the taxpayer concerned or to the clerk of the county concerned in the manner provided in section 232-7 for giving notice of decisions.

An appeal shall be deemed to have been taken in time, and properly commenced, if the notice thereof and costs, if any, and the copy or copies of the notice ~~[shall]~~ have been deposited in the mail, postage prepaid, properly addressed to the tax appeal court, ~~[director of taxation,]~~ taxpayer or taxpayers, and~~[-]~~ ~~director of taxation or,~~ if relevant, the real property assessment division of the county involved, respectively, within the time period provided by this section.”

SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval.

(Approved May 14, 2025.)