
A BILL FOR AN ACT

RELATING TO THE AUDITOR.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 23-5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§23-5 Auditor; powers. (a) The auditor may examine and
4 inspect all accounts, books, records, files, papers, and
5 documents and all financial affairs of every department,
6 including the department of taxation, office, agency, and
7 political subdivision[-]; provided that the auditor's
8 examination and inspection relates to an audit or other
9 investigation undertaken pursuant to this chapter.

10 (b) The auditor may cause search to be made and extracts
11 to be taken from any account, book, file, paper, record, or
12 document in the custody of any public officer without paying any
13 fee for the same; and every officer having the custody of the
14 accounts, books, records, files, papers, and documents shall
15 make such search and furnish such extracts as thereto requested.

16 (c) The auditor may issue:

17 (1) Subpoenas compelling at a specified time and place the
18 appearance and sworn testimony of any person whom the



1 auditor reasonably believes may be able to provide
 2 information relating to any audit or other
 3 investigation undertaken pursuant to this chapter; and
 4 (2) Subpoenas duces tecum compelling the production of
 5 accounts, books, records, files, papers, documents, or
 6 other evidence, which the auditor reasonably believes
 7 may relate to an audit or other investigation being
 8 conducted under this chapter.

9 Upon application by the auditor, obedience to the subpoena may
 10 be enforced by the circuit court in the county in which the
 11 person subpoenaed resides or is found in the same manner as a
 12 subpoena issued by the clerk of the circuit court.

13 (d) In addition to powers provided to the auditor under
 14 this section, and notwithstanding section 235-116, or any other
 15 law making it unlawful for any person, officer, or employee of
 16 the State to make known information imparted by any tax return
 17 or permit any tax return to be seen or examined by any person,
 18 the department of taxation shall:

- 19 (1) Permit the auditor to inspect any tax return of any
 20 taxpayer;
- 21 (2) Furnish the auditor with an abstract of the return, if
 22 the auditor so desires; and



1 (3) Supply the auditor with information concerning any
2 item contained in a tax return or disclosed by the
3 report of any investigation of a tax return or of the
4 subject matter of a tax return."

5 SECTION 2. Section 235-116, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "**§235-116 Disclosure of returns unlawful; penalty.** All
8 tax returns and return information required to be filed under
9 this chapter shall be confidential, including any copy of any
10 portion of a federal return which may be attached to a state tax
11 return, or any information reflected in the copy of such federal
12 return. [~~It~~] Except as provided in section 23-5, it shall be
13 unlawful for any person, or any officer or employee of the State
14 to make known intentionally information imparted by any income
15 tax return or estimate made under sections 235-92, 235-94,
16 235-95, and 235-97 or wilfully to permit any income tax return
17 or estimate so made or copy thereof to be seen or examined by
18 any person other than the taxpayer or the taxpayer's authorized
19 agent, persons duly authorized by the State in connection with
20 their official duties, the Multistate Tax Commission or the
21 authorized representative thereof, except as provided by law,
22 and any offense against the foregoing provisions shall be



1 punished by a fine not exceeding \$500 or by imprisonment not
2 exceeding one year, or both."

3 SECTION 3. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 4. This Act shall take effect upon its approval.

Report Title:

Auditor; Access to Information; Powers

Description:

Provides explicit authority to the auditor to inspect all accounts, books, records, files, papers, and documents and all financial affairs of the department of taxation. (SD2)

