

Honolulu, Hawaii

Feb 8, 2006

RE: H.B. No. 439  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 439 entitled:

"A BILL FOR AN ACT RELATING TO THE OFFICE OF THE OMBUDSMAN,"

begs leave to report as follows:

The purpose of this bill is to facilitate the investigations of the Office of the Ombudsman, by authorizing the Ombudsman or an authorized representative to access tax returns and return information in connection with the Ombudsman's official duties.

The Office of the Ombudsman testified in support of this bill. The Department of Taxation (DoTax) opposed this measure. The Tax Foundation of Hawaii offered comments.

Your Committee finds that while the intent of this bill is to assist the Ombudsman in carrying out its official investigations, concerns have been raised over the impact this measure may have on the confidentiality of taxpayer information, which is provided by law. Furthermore, there remains the issue of whether to obtain the prior concurrence of the Internal Revenue Service, with whom DoTax shares taxpayer information under a mutual agreement to maintain the privacy of that information. In the hopes of generating further discussion on this bill, your Committee urges DoTax to make itself available at any further hearings on this measure to provide oral testimony and answer specific questions.

Accordingly, your Committee has amended this bill by:

HB439 HD1 HSCR JUD HMS 2006-1490



- (1) Changing the effective date to January 1, 2096, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 439, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 439, H.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary,



SYLVIA LUKE, Chair



