

Honolulu, Hawaii

March 17, 2006

RE: S.B. No. 2156
S.D. 2

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

Sir:

Your Committee on Legislative Management, to which was referred S.B. No. 2156, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE AUDITOR,"

begs leave to report as follows:

The purpose of this bill is to explicitly authorize the Office of the Auditor (Auditor) to examine and inspect all files and documents of the Department of Taxation (DOTAX), including the tax returns of any taxpayer, for the purposes of carrying out its auditing or other investigative duties.

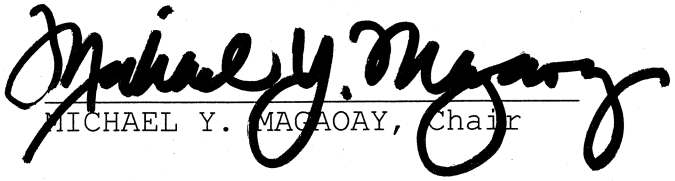
The Auditor testified in support of this bill. DOTAX opposed this measure. The Tax Foundation of Hawaii offered comments.

Although the Auditor has broad authority to examine the files and documents of all departments, the Attorney General has concluded that this authority is not sufficient to overcome confidentiality provisions governing DOTAX. This bill will explicitly authorize the Auditor to have access to confidential tax returns.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2156, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.



Respectfully submitted on
behalf of the members of the
Committee on Legislative
Management,


MICHAEL Y. MAGAOAY, Chair



