

Honolulu, Hawaii

MAR - 3 2006

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

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2156, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify that the Department of Taxation is among the departments whose records and financial affairs the state Auditor may examine and inspect.

This measure also requires the Department of Taxation to:

- (1) Permit the Auditor to inspect any tax return of any taxpayer;
- (2) Furnish the Auditor with an abstract of the return, if the Auditor so desires; and
- (3) Supply the Auditor with information concerning any item contained in a tax return or disclosed by the report of any investigation of a tax return or of the subject matter of a tax return.

Your Committee finds that the Auditor already has the constitutional and statutory authority to conduct post-audits of the transactions, accounts, programs, and performances of all departments, offices, and agencies of the State, including the Department of Taxation.



However, the Attorney General has taken the position that the Auditor lacks the statutory authority necessary to conduct an audit of the Department of Taxation. This measure clarifies that the Auditor is authorized to examine and inspect Department of Taxation records by providing very specific statutory authority in addition to the Auditor's current general statutory authority.

Your Committee has amended this measure by:

- (1) Clarifying that any records the Auditor wishes to examine and inspect must relate to an audit or other investigation undertaken pursuant to chapter 23, Hawaii Revised Statutes;
- (2) Setting forth the actions the Department of Taxation must undertake during an audit by the Auditor in a new subsection (d) of section 23-5, Hawaii Revised Statutes, for purposes of greater clarity; and
- (3) Making technical nonsubstantive amendments to this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2156, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2156, S.D. 2.


Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
BRIAN T. TANIGUCHI, Chair



The Senate  
Twenty-Third Legislature  
State of Hawaii

Record of Votes of the  
Committee on Ways and Means  
(Bills and Resolutions)

Measure:* SB 2156 SD1	Committee Referral: TGO, WAM	Date: 4/27/06		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
TANIGUCHI, Brian T. (C)	/			
TSUTSUI, Shan S. (VC)	/			
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
INOUYE, Lorraine R.	/			
KANNO, Brian	/			
KIM, Donna Mercado	/			
KOKUBUN, Russell S.	/			
NISHIHARA, Clarence K.	/			
SAKAMOTO, Norman	/			
HEMMINGS, Fred				/
SLOM, Sam				/
TRIMBLE, Gordon		no ST	/	
TOTAL	12	0	1	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:             Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Do not list more than one measure per Record of Votes.