

Honolulu, Hawaii

Aj-04 , 2008

RE: S.B. No. 2838
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2838, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to allow an individual taxpayer who files an electronic income tax return to have their income tax refund directly deposited into a maximum of three checking or savings accounts.

The Legal Aid Society of Hawaii supported this bill. The Department of Taxation (DOTAX) opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee expresses its appreciation to the Director of Taxation for his outreach efforts to assist taxpayers in low-income communities with the preparation of their tax return forms, which can be daunting. Acknowledging that this is a valuable community service, your Committee has amended this bill by requiring the Director of Taxation to continue to visit low-income communities to assist taxpayers in the preparation of tax filings.

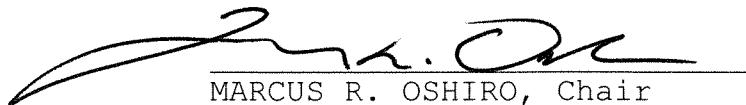
In addition, your Committee has amended this bill by:



- (1) Changing to an unspecified number the maximum number of checking or savings accounts that may be designated by the taxpayer;
- (2) Authorizing DOTAX to modify and revise their returns and computer systems to carry out the purposes of item (1) above; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2838, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2838, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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


MARCUS R. OSHIRO, Chair



