

Honolulu, Hawaii

March 20, 2008

RE: S.B. No. 711
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 Judiciary, to which was referred S.B. No. 711 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to:

- (1) Establish a ten-year statute of limitations on tax collections; and
- (2) Clarify that the three-year statute of limitations on tax assessments for the general excise tax, use tax, and other period taxes begins at the filing of each periodic return.

The Chamber of Commerce of Hawaii; Hawaii Society of Certified Public Accountants; Horwath Kam & Company; Chun, Kerr, Dodd, Beaman & Wong; and concerned licensed attorneys practicing in tax law testified in support of this bill. The Department of Taxation opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee amended this bill by:

- (1) Extending by one year, from June 30, 2017, to June 30, 2018, the barring of any levy for assessments made before July 1, 2008;



- (2) Applying the effect of the Act to tax returns filed after June 30, 2008; and
- (3) Changing its effective date to July 1, 2008.

Other technical, nonsubstantive amendments were made for clarity, consistency, 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 S.B. No. 711, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 711, H.D. 1, and be referred to the Committee on Finance.

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



TOMMY WATERS, Chair



