

STAND. COM. REP. NO.

717

Honolulu, Hawaii

MAR 01 2007

RE: S.B. No. 1499
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1499, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX ADMINISTRATION,"

begs leave to report as follows:

The purpose of this measure is to conform Hawaii tax law to federal tax law as it relates to tax administration and criminal tax enforcement.

The Department of Taxation submitted written comments in support of this measure. The Tax Foundation of Hawaii submitted written comments.

Your Committee finds that this measure will enhance tax compliance by conforming Hawaii's tax law to federal tax law, including by establishing penalties for persons who prepare tax returns that unrealistically understate tax liability and for the promotion of abusive tax shelters, and by criminalizing the wilful failure to collect and pay over taxes.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

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. 1499, S.D. 1, as amended herein, and recommends that it pass

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Third Reading in the form attached hereto as S.B. No. 1499,
S.D. 2.

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



ROSALYN H. BAKER, Chair



