
A BILL FOR AN ACT

RELATING TO TAX ADMINISTRATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to provide for the
2 mandatory assessment of administrative costs associated with
3 investigating tax crimes where a taxpayer is convicted of a tax
4 offense or has a conviction deferred.

5 SECTION 2. Chapter 231, Hawaii Revised Statutes, is
6 amended by adding a new section to be appropriately designated
7 and to read as follows:

8 **"§231-A Criminal tax penalties; assessment for cost of**
9 **investigation. Any person who is:**

10 (1) Convicted; or

11 (2) Granted a deferred acceptance of plea pursuant to
12 chapter 853;

13 of an offense under sections 231-34, 231-35, 231-36, or 231-36.4
14 shall, in addition to any other penalties provided by law, be
15 assessed by the court the actual cost of investigating the
16 offense.

17 Any costs recovered under this section shall be deposited
18 into the tax administration special fund."



1 SECTION 3. Section 235-20.5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§235-20.5 Tax administration special fund; established.**

4 (a) There is established a tax administration special fund,
5 into which shall be deposited:

6 (1) Fees collected under sections 235-20, 235-110.9, and
7 235-110.91;

8 (2) Penalties collected under section 2 of Act 206,
9 Session Laws of Hawaii 2007; [and]

10 (3) Revenues collected by the special enforcement section
11 pursuant to section 231-85; provided that in each
12 fiscal year, of the total revenues collected by the
13 special enforcement section, all revenues in excess of
14 \$500,000 shall be deposited into the general fund[-];

15 and

16 (4) Assessments for the costs of criminal investigations
17 recovered under section 231-A.

18 (b) The moneys in the fund shall be used for the following
19 purposes:

20 (1) Issuing comfort letters, letter rulings, written
21 opinions, and other guidance to taxpayers;



- 1 (2) Administering the tax credits under sections 235-110.9
2 and 235-110.91; [~~and~~]
- 3 (3) Administering the operations of the special
4 enforcement section[-]; and
- 5 (4) Administering the operations of criminal
6 investigations."

7 SECTION 4. This Act does not affect rights and duties that
8 matured, penalties that were incurred, and proceedings that were
9 begun, before its effective date.

10 SECTION 5. In codifying the new section added to chapter
11 231, Hawaii Revised Statutes, by section 2 of this Act, the
12 revisor of statutes shall substitute an appropriate section
13 number for the letter used in designating and referring to the
14 new section in this Act.

15 SECTION 6. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 7. This Act shall take effect on December 21,
18 2058; provided that the amendments made to section 235-20.5,
19 Hawaii Revised Statutes, by this Act shall not be repealed when:

- 20 (1) Section 235-20.5, Hawaii Revised Statutes, is
21 reenacted on January 1, 2011, pursuant to section 8 of
22 Act 206, Session Laws of Hawaii 2007; and



1 (2) Section 235-20.5, Hawaii Revised Statutes, is
2 reenacted on June 30, 2014, pursuant to section 13
3 paragraph 3 of Act 134, Session Laws of Hawaii 2009.



Report Title:

Tax Administration; Criminal Cost Recovery

Description:

Provides for a cost recovery order issuable by the circuit court for investigation costs when taxpayers are convicted of tax crimes. Effective December 21, 2058. (HB2599 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

