
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.

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- Criminal tax penalties; assessment for cost of
9 investigation. Any person who is convicted of an offense under
10 section 231-34, 231-35, 231-36, or 231-36.4, in addition to any
11 other penalties provided by law, shall be assessed by the court
12 the reasonable cost of investigating the violation.

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

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



1 "§235-20.5 Tax administration special fund; established.

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

4 (1) Fees collected under sections 235-20, 235-110.9, and
5 235-110.91;

6 (2) Penalties collected under section 2 of Act 206,
7 Session Laws of Hawaii 2007; [~~and~~]

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

14 (4) Assessments for the reasonable costs of criminal
15 investigations recovered under section 231- .

16 (b) The moneys in the fund shall be used for the following
17 purposes:

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

20 (2) Administering the tax credits under sections 235-110.9
21 and 235-110.91; [~~and~~]



1 (3) Administering the operations of the special
2 enforcement section[-]; and

3 (4) Conducting criminal investigations."

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

7 SECTION 5. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 6. This Act shall take effect on December 21,
10 2058; provided that the amendments made to section 235-20.5,
11 Hawaii Revised Statutes, by this Act shall not be repealed when:

12 (1) Section 235-20.5, Hawaii Revised Statutes, is
13 reenacted on January 1, 2011, pursuant to section 8 of
14 Act 206, Session Laws of Hawaii 2007; or

15 (2) Section 235-20.5, Hawaii Revised Statutes, is
16 reenacted on June 30, 2014, pursuant to section 13
17 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 court for investigation costs when a taxpayer is convicted of tax crimes. Effective December 21, 2058. (SB2752 HD1)

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

