

Honolulu, Hawaii

Feb 26, 2010

RE: H.B. No. 1948

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1948 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to expedite the refund of overpayments of taxes to taxpayers by requiring the Department of Taxation (DOTAX) to refund the overpayments within 90 days of the filing of the tax return, or the date the tax return was due, whichever occurred first. The bill also requires that interest of one-third of one percent per month be paid on the overpayment or credit after the 90-day period until the refund and interest is paid to the taxpayer.

DOTAX opposed this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

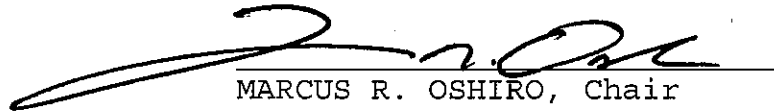
- (1) Changing the effective date to July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 H.B. No.



1948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1948, 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



