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**HOUSE COMMITTEE ON WATER, LAND & OCEAN RESOURCES
TESTIMONY REGARDING SB 2610
RELATING TO CONVEYANCE TAX**

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)

DATE: MARCH 8, 2010

TIME: 10AM

ROOM: 325

This measure, among other things, requires the Department of Taxation (Department) to electronically image conveyance tax certificates and transmit these documents to the counties within 10 days after the close of each week.

The Department opposes this measure.

REDIRECTS LIMITED RESOURCES—The Department opposes this measure because it redirects already limited resources to provide county services, rather than allowing the Department to focus its efforts on processing and depositing tax revenues to the State general fund.

REPRIORITIZING COULD IMPACT GENERAL FUND PROCESSING & COLLECTIONS—The Department does not have the resources to accomplish the requirements of this measure in the time prescribed. The Department's primary focus, especially during current economic times when the general fund is operating at a deficit, is to process returns and tax checks as soon as possible with the highest priority. Quite simply, this measure could have an immediate impact on the general fund if the Department is forced to reprioritize its processing efforts.

BILL SHOULD BE HELD—The Department recommends that this bill be held. The Department is currently providing conveyance tax documents to the counties in a timely and reasonable manner, given the Department's general fund priority.