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# A BILL FOR AN ACT

RELATING TO TAX APPEALS.

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

1           SECTION 1. Section 232-5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "§232-5 Small claims. (a) The tax appeal court shall  
4 establish by rule a small claims procedure that, to the greatest  
5 extent practicable, shall be informal[-]; provided that:

6           (1) The court shall not allow pretrial discovery; and

7           (2) Costs and fees awarded to the prevailing party shall  
8 be limited to fees paid directly to the court in the  
9 course of conducting the tax appeal at issue.

10          (b) Any protesting taxpayer who would incur a total tax  
11 liability, not including penalties and interest, of less than  
12 \$1,000, by reason of the protested assessment or payment in  
13 question, may elect to employ the procedure established by this  
14 section upon:

15          (1) Payment per taxpayer of a non-refundable filing fee  
16 set pursuant to rules adopted by the supreme court,  
17 which shall not exceed \$25; and



1           (2) Filing with the tax appeal court a written statement  
2                   of the facts in the case, together with a waiver of  
3                   the right to further appeal.

4 The tax appeal court shall cause a notice of the appeal and a  
5 copy of the statement to be served on the director of taxation."

6           SECTION 2. This Act does not affect rights and duties that  
7 matured, penalties that were incurred, and proceedings that were  
8 begun before its effective date.

9           SECTION 3. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11          SECTION 4. This Act shall take effect upon its approval.



**Report Title:**

Tax Appeals; Small Claims

**Description:**

Prohibits discovery and limits the award of costs and fees in controversies involving small claim tax appeals. (SD2)

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

