
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Pursuant to article VIII, section 3, of the
2 state constitution and section 232E-2, Hawaii Revised Statutes,
3 a tax review commission was to have been appointed in 2010 and
4 to have begun meeting beginning July 1, 2010. Its report to the
5 legislature was due by December 2011. However, by July 1, 2010,
6 only two members had been appointed and confirmed. Therefore,
7 as of July 1, 2010, the tax review commission could not meet and
8 could not act due to lack of a quorum.

9 Something similar occurred in the 1980s. In 1981, the
10 then-constituted tax review commission had only seventeen months
11 to submit its report to the legislature and had been given no
12 funding for the necessary studies. In 1983, the legislature
13 enacted legislation to provide resources and to extend the time
14 the tax review commission had to accomplish its work.

15 The current tax review commission has three members that
16 have been confirmed by the legislature and four interim members.
17 The tax review commission held its first meeting on July 15,
18 2011, a year later than the tax review commission would have met



1 if a majority of members had been appointed by July 1, 2010.
2 Due to its late start, the commission requires additional time
3 and resources to carry out its duties.

4 SECTION 2. Section 232E-3, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "~~§~~232E-3 Duties. The commission shall conduct a
7 systematic review of the State's tax structure, using such
8 standards as equity and efficiency. Thirty days prior to the
9 convening of the second regular session of the legislature after
10 the members of the commission have been appointed, the
11 commission shall submit to the legislature an evaluation of the
12 State's tax structure and recommend revenue and tax policy,
13 except that [~~for~~]:

14 (1) For the commission appointed on or before July 1,
15 1980, or the replacement commission intended to
16 function prior to the appointment of a new commission
17 on or before July 1, 1985, the commission shall submit
18 the required evaluation and recommendations to the
19 legislature thirty days prior to the convening of the
20 regular session of 1985[-]; and

21 (2) For the commission appointed on or before July 1,
22 2010, or the successor commission intended to function



1 prior to the appointment of a new commission on or
2 before July 1, 2015, the commission shall submit the
3 required evaluation and recommendations to the
4 legislature thirty days prior to the convening of the
5 regular session of 2013."

6 SECTION 3. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$ or so
8 much thereof as may be necessary for fiscal year 2011-2012 to be
9 used by the tax review commission to conduct an evaluation of
10 the State's tax structure and recommend revenue and tax policy;
11 provided that this appropriation shall not lapse at the end of
12 fiscal year 2011-2012; provided further that all moneys that are
13 unencumbered as of June 30, 2013, shall lapse as of that date.

14 The sum appropriated shall be expended by the department of
15 taxation for the purposes of this Act.

16 SECTION 4. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 5. This Act shall take effect upon its approval.

H.B. NO. 2326
H.D. 1
S.D. 1
Proposed

Report Title:

Tax Review Commission; Report

Description:

Extends the reporting date of the 2010-2012 tax review commission and appropriates funds. (SD1 PROPOSED)

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