

STAND. COM. REP. NO. 566

Honolulu, Hawaii

Feb 18, 2011

RE: H.B. No. 119  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 119 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to address the financial difficulty faced by the State and its citizens by amending the Tax Code to:

- (1) Allow taxpayers to designate the tax period for any payment made or penalty assessed on the taxpayer;
- (2) Provide taxpayers equitable relief from tax liability if the circumstances show it is in the interest of justice;
- (3) Place the burden of proof of the Department of Taxation (DOTAX) in specified proceedings before the board of review or tax appeal court; and
- (4) Create a state-wide tax amnesty program to waive penalties on income-tax deficiencies for taxable periods prior to December 31, 2010, where taxpayers make payments of the income-taxes owed.

The Department of the Attorney General, DOTAX, and the Tax Foundation of Hawaii commented on this bill.

HB119 HD1 HSCR JUD HMS 2011-2153



Your Committee has amended this measure by:

- (1) Reducing the time period within which an assessment shall be deemed final in accordance with sections 235-108 and 237-36, Hawaii Revised Statutes, from 30 days to 20 days after service of the notice of assessment;
- (2) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 119, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary,

  
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GILBERT KEITH-AGARAN, Chair



