

Honolulu, Hawaii

Feb 14 , 2012

RE: H.B. No. 1695

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 1695 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to utilize new rules for tax collection from taxpayers who incur numerous penalties. Specifically, this measure incorporates the anti-stacking fairness provisions included in the federal Internal Revenue Code by prohibiting additional penalties for:

- (1) Wilful failure to collect and pay taxes;
- (2) Substantial understatements or misstatements on tax returns; and
- (3) Erroneous claims for refund or credit on tax returns.

Chun, Kerr, Dodd, Beaman & Wong, A Limited Liability Law Partnership and one individual testified in support of this measure. The Department of Taxation testified in opposition to this measure. The Tax Foundation of Hawaii provided comments.

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. 1695 and recommends that it pass Second Reading and be referred to the Committee on Finance.



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



GILBERT KEITH-AGARAN, Chair



