

STAND. COM. REP. NO. 1454

Honolulu, Hawaii

April 8, 2011

RE: S.B. No. 1356
S.D. 1
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 Finance, to which was referred S.B. No. 1356, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to provide fairness in tax administration by prohibiting the imposition of multiple penalties with respect to certain tax underpayments and wilful failure to collect and pay over taxes.

Several concerned individuals supported this bill. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions that prohibit the imposition of penalties under section 231-36.4, Hawaii Revised Statutes, as the penalties under this section constitute criminal penalties;
- (2) Inserting provisions that reestablish the end of the month as the deadline for the filing and payment of various taxes;


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- (3) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1356, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1356, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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



MARCUS R. OSHIRO, Chair



