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**THE SENATE  
THE TWENTY-SIXTH LEGISLATURE  
Regular Session of 2012**

**COMMITTEE ON WAYS AND MEANS  
Chair Ige, Vice Chair Kidani, Members of the Committee:**

**Hearing date: Tuesday, March 20, 2012  
Testimony on HB 1695  
(Relating to Taxation)  
Prohibits Stacking of Penalties**

Chair Ige, Vice Chair Kidani, Members of the Committee:

We urge passage of this bill which would prohibit penalties for wilful failure to collect and pay taxes, substantial understatements or misstatements, and erroneous claims for refund or credit from being added to tax underpayments on which certain other penalties are already imposed.

Many new tax penalties were enacted in 2009 through the passage of Act 166. While these penalties are similar to those imposed under the federal Internal Revenue Code, the federal provisions do not stack onto one another for the same violation. This bill will ameliorate the impact of these penalties by prohibiting the assessment of multiple penalties relating to the same tax error.

Thank you for affording me the opportunity to testify.

Very truly yours,

CHUN, KERR, DODD, BEAMAN & WONG,  
a Limited Liability Law Partnership

