

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: MolokaiMAN@basicisp.net
Subject: Testimony for SB2868 on 2/10/2012 9:00:00 AM
Date: Monday, February 06, 2012 6:58:46 PM

Testimony for WAM 2/10/2012 9:00:00 AM SB2868

Conference room: 211
Testifier position: Oppose
Testifier will be present: No
Submitted by: George Peabody
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Submitted on: 2/6/2012

Comments:

WTF You are already PAID to do you job. NO FEES NO MORE TAXES slumming as FEES ! STOP IT !

TAXBILLSERVICE

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SUBJECT: ADMINISTRATION, Tax clearance fees

BILL NUMBER: SB 2868; HB 2606 (Identical)

INTRODUCED BY: SB by Tsutsui by request; HB by Say by request

BRIEF SUMMARY: Adds a new section to HRS chapter 231 to allow the department of taxation to charge a fee of \$20 for each tax clearance application submitted by a taxpayer and \$5 for each certified copy of a tax clearance; provided the department may charge additional fees relating to the issuance of tax clearances.

This act shall be applicable to requests for tax clearances and requests for certified copies of tax clearances received on or after July 1, 2012.

EFFECTIVE DATE: Upon approval

STAFF COMMENTS: This is an administration measure submitted by the department of taxation TAX-02 (12). Currently, tax clearances requested by taxpayers are provided by the department of taxation at no cost to the taxpayer. If a taxpayer needs a tax clearance from the Internal Revenue Service, the same form that is submitted to the department of taxation can be used and there is no fee for the federal tax clearance.

While this measure proposes a fee of \$20 for each tax clearance application and \$5 for each certified copy, it should be noted that as compared to the fees charges by other state departments, these appear to be rather high. The department of health charges a fee of \$10 for the first copy of each certified copy of a birth, death, civil union, marriage and divorce certificate, and \$4 for each additional copy of the same certificate ordered at the same time.

Given that taxpayers are required to comply with the tax laws of the state and pay what is do, a tax clearance is merely a validation on the department of taxation that the taxpayer is compliant. In as much as a tax clearance is a requirement in bidding on or securing a state or county contract, those tax clearances should be made available without cost to the taxpayer. It should be noted that taxpayers can obtain tax clearances from both the department of taxation and the Internal Revenue Service as well as clearances from the departments of labor and commerce and consumer affairs by using the department of accounting and general services' (DAGS) Hawaii compliance Express HCE program that charges a \$12 annual registration fee.

Given the ability to secure a tax clearances through the HCE program, imposing a charge for a tax clearance seems redundant. All future requests should be referred to the on-line DAGS program.

Digested 2/3/12