

JAN 24 2013

A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF TAXATION SPECIAL ENFORCEMENT
SECTION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Act 134, Session Laws of Hawaii 2009, is
2 amended by amending section 13 to read as follows:

3 "SECTION 13. This Act shall take effect upon its approval;
4 provided that:

5 (1) The amendments made to section 235-20.5, Hawaii
6 Revised Statutes, by this Act shall not be repealed
7 when section 235-20.5, Hawaii Revised Statutes, is
8 reenacted on January 1, 2011, pursuant to section 8 of
9 Act 206, Session Laws of Hawaii 2007; and

10 (2) Sections 231-F, 231-J, 231-K, 231-L, 231-M, 231-N,
11 231-O, and 231-P, Hawaii Revised statutes, in section
12 2 of this Act shall take effect on July 1, 2009 [~~and~~

13 ~~(3) This Act shall be repealed on June 30, 2014, and~~
14 ~~section 235-20.5, Hawaii Revised Statutes, shall be~~
15 ~~reenacted in the form in which it read on the day~~
16 ~~prior to the effective date of section 8 of Act 206,~~
17 ~~Session Laws of Hawaii 2007; provided further that~~

S.B. NO. 1197

Report Title:

Department of Taxation; Special Enforcement Section

Description:

Deletes the sunset provisions for the Special Enforcement Section of the Department of Taxation.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Taxation

TITLE: A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF TAXATION SPECIAL ENFORCEMENT SECTION.

PURPOSE: To repeal the sunset date in the act creating the Department of Taxation's Special Enforcement Section.

MEANS: Amend section 13 of Act 134, Session Laws of Hawaii 2009.

JUSTIFICATION: The Special Enforcement Section is a valuable enforcement and education tool for the Department. Through its efforts, the section has generated almost \$1,000,000 in taxes with a reduced staffing level of three employees.

More importantly, the staff has educated cash-based businesses about their tax obligations and the requirement that all taxpayers should pay their fair share of taxes. This is especially important in a state which is mostly composed of small businesses, as many small businesses start off as a cash-based business.

In addition to the promoting tax education among the small businesses, the section has helped to identify other issues and cases for enforcement by the Department.

Impact on the public: The continued activity of the Special Enforcement Section will further educate taxpayers on their responsibilities under the law.

Impact on the department and other agencies: Continued activity by the Special Enforcement Section will increase taxes collected by the Department.

GENERAL FUND: Pending.
OTHER FUNDS: None.
PPBS PROGRAM
DESIGNATION: None.
OTHER AFFECTED
AGENCIES: None.
EFFECTIVE DATE: Upon approval.