

JAN 24 2013

SB. NO. 1206

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# A BILL FOR AN ACT

RELATING TO TAX COLLECTION.

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

1           SECTION 1. Section 231-13, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§231-13 Director; examination, investigation, and**  
4 **collection.** (a) The director of taxation shall be responsible  
5 for the collection and general administration of all taxes,  
6 including delinquent taxes. Notwithstanding any other law to  
7 the contrary, the director, by contract, may select and retain  
8 bonded collection agencies, licensed attorneys, accountants, and  
9 auditors or other persons for the purpose of assessment,  
10 enforcement, or collection of taxes from persons subject to the  
11 provisions of title 14 administered by the department.

12           (b) At the option of the director, any contract entered  
13 into under this section may provide for compensation on:

14           (1) A fixed price basis;

15           (2) An hourly rate basis with or without a fixed cap; or

S.B. NO. 1206

1           (3) A contingent fee arrangement to be specified in the  
2                   contract; provided that this paragraph shall not apply  
3                   to auditors and accountants.

4           All compensation shall be payable out of the taxes  
5 recovered for the State or from the [~~debtor~~] taxpayer in  
6 accordance with the terms of, and up to the amount authorized by  
7 the contract, unless otherwise determined by the director.

8           SECTION 2. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10          SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: 

14

BY REQUEST

S.B. NO. 1206

**Report Title:**

Tax Collection

**Description:**

Clarifies provisions regarding the collection of taxes.

*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 TAX COLLECTION

PURPOSE: Clarifies provisions regarding the collection of all taxes.

MEANS: Amends section 231-13, HRS.

JUSTIFICATION: Clarifies that the department has the ability to engage non-department resources to assist with the enforcement and collection of all taxes, not just delinquent taxes.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval.