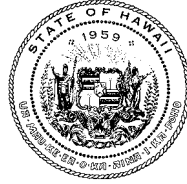


NEIL ABERCROMBIE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1530
FAX NO: (808) 587-1584

FREDERICK D. PABLO
DIRECTOR OF TAXATION

JOSHUA WISCH
DEPUTY DIRECTOR

To: The Honorable Angus L. K. McKelvey, Chair
and Members of the House Committee on Consumer Protection and Commerce

The Honorable Karl Rhoads, Chair
and Members of the House Committee on Judiciary

Date: Monday, February 11, 2013
Time: 2:30 P.M.
Place: Conference Room 325, State Capitol

From: Frederick D. Pablo, Director
Department of Taxation

Re: H.B. 1342, Relating to Debt Collection

The Department of Taxation (Department) appreciates the intent of H.B. 1342, and provides the following information and comments for your consideration.

H.B. 1342 requires the Department of the Attorney General (AG) to collect accounts which are delinquent for more than ninety days for executive departments, other than the Department of Taxation, University of Hawaii (UH), and Judiciary, and places an unspecified per cent of moneys recovered on these accounts for deposit into a newly-established fund. It also allows the Department, the UH, and the Judiciary to contract with a collection agency to collect on delinquent accounts. The measure would take effect on July 1, 2013.

The Department defers to the AG on the merits of this measure, however, the Department notes that it already has authority under section 231-13, Hawaii Revised Statutes (HRS), to retain bonded collection agencies, licensed attorneys, accountants, auditors or other persons for the purposes of assessment, enforcement, or collection of taxes.

Thank you for the opportunity to provide comments.