

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TAX APPEALS, Additional boards of review

BILL NUMBER: SB 1191; HB 960 (Identical)

INTRODUCED BY: SB by Kim by request; HB by Souki by request

BRIEF SUMMARY: Amends HRS section 232-6 to provide that the director of taxation may establish additional boards of review in any taxation district where the number of disputes to be decided by the boards of a taxation district exceed the number of disputes that can be reasonably decided within one year; provided that each taxation district shall have no more than three boards.

Amends HRS section 232-7 to allow the chair of a board of review in a district with multiple boards to temporarily assign a member of that board to serve as a substitute member of the requesting board for purposes of establishing a quorum at a designated meeting or designated meetings of the requesting board.

EFFECTIVE DATE: July 1, 2013

STAFF COMMENTS: This is an administration measure submitted by the department of taxation TAX-09 (13). This measure would allow the establishment of up to three boards of review in a taxation district to address the backlog of cases and to temporarily assign a member of one board to another board in the same district for the purpose of achieving a quorum.

Apparently, with only a single board of review for each tax district, it has been difficult to conduct business when that board cannot achieve a quorum. Increasing the number of boards of review for a tax district would allow one board to tap the members of another board in the same tax district to attend meetings and provide a quorum when its own members cannot attend any one meeting. This gives the department more flexibility and insures the timely review of disputed tax cases.

Digested 1/28/13