

JAN 28 2015

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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. (a) There is established the tax reform task  
2 force within the department of taxation for administrative  
3 purposes.

4           (b) The tax reform task force shall consist of ten  
5 members, not subject to section 26-34, Hawaii Revised Statutes,  
6 which shall include the following:

7           (1) Certified public accountants;

8           (2) Tax attorneys;

9           (3) Community members;

10          (4) Economists; and

11          (5) Other individuals with knowledge of the tax structure  
12 of the State or other jurisdictions;

13 provided that members of the task force shall have a relevant  
14 professional license or certification and shall not be employees  
15 of the State. Task force members shall be appointed equally by  
16 the senate president and speaker of the house of  
17 representatives.



1 (c) The members of the task force shall select the  
2 chairperson of the task force from among themselves. Members of  
3 the task force shall serve without compensation but shall be  
4 reimbursed for necessary expenses, including travel expenses,  
5 incurred in the performance of their official duties.

6 (d) The task force shall:

7 (1) Examine the impact of implementing a sales tax rather  
8 than a general excise tax in the State and how this  
9 change would affect Hawaii consumers and taxpayers;

10 (2) Examine Hawaii's income tax exemption amounts in  
11 comparison with income tax exemption amounts from  
12 other states;

13 (3) Examine other rate-related variables such as rate  
14 brackets, standard deduction amounts, Pease  
15 limitation, and other itemized deduction limitations;  
16 and

17 (4) Based on its findings, recommend changes, if any, to  
18 the state tax structure or state income tax exemption  
19 amounts.

20 (e) Upon written request by the task force, the department  
21 of taxation shall provide to the task force access to relevant



1 aggregate tax return data but only to the extent necessary and  
2 relevant to performing duties pursuant to subsection (d).

3 (f) It shall be unlawful for any member of the task force  
4 to intentionally make known information imparted by any tax  
5 return information made available to the task force pursuant to  
6 subsection (e), or any report of any investigation of a tax  
7 return or of the subject matter of the return, or to willfully  
8 permit any return, return information, or report so made, or any  
9 copy thereof, to be seen or examined by any person.

10 (g) The task force shall submit an interim report of its  
11 findings and recommendations, including any proposed  
12 legislation, to the legislature no later than twenty days prior  
13 to the convening of the regular session of 2016, and a final  
14 report of the task force's findings and recommendations,  
15 including any proposed legislation, to the legislature no later  
16 than twenty days prior to the convening of the regular session  
17 of 2017.

18 (h) The task force shall cease to exist on June 30, 2017.

19 SECTION 2. This Act shall take effect on July 1, 2015.

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INTRODUCED BY:

*[Handwritten signatures: Dan Claitor, Franine R. Jurgens, and Will Eyo]*



S.B. NO. 1222

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# S.B. NO. 1222

**Report Title:**

Tax Reform Task Force; Taxation

**Description:**

Establishes a tax reform task force to examine the impact of a sales tax in lieu of the general excise tax in the State and other rate-related variables and to compare Hawaii's income tax exemption amounts with tax exemption amounts from other states.

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