

S.B. NO. 1005

JAN 25 2017

A BILL FOR AN ACT

RELATING TO THE DISCLOSURE OF TAX RETURNS AND TAX RETURN
INFORMATION.

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

1 SECTION 1. Section 235-116, Hawaii Revised Statutes is
2 amended to read as follows:
3 **"§235-116 Disclosure of returns unlawful; penalty.** All
4 tax returns and return information required to be filed,
5 submitted, collected, or maintained under this chapter shall be
6 confidential, including any copy of any portion of a federal
7 return that may be attached to a state tax return, ~~[or]~~ any
8 information reflected in the copy of the federal return~~[or]~~, any
9 information required under this chapter to be filed or otherwise
10 submitted with any state agency other than the department, or
11 any information required under this chapter to be collected or
12 maintained by any state agency other than the department, except
13 as otherwise provided by law. It shall be unlawful for any
14 person, or any officer or employee of the State, including the
15 auditor or the auditor's agent with regard to tax return
16 information obtained pursuant to section 23-5(a), to make known
17 intentionally information imparted by any income tax return or

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1 estimate made under sections 235-92, 235-94, 235-95, and 235-97
2 or wilfully to permit any income tax return or estimate so made
3 or copy thereof to be seen or examined by any person other than
4 the taxpayer or the taxpayer's authorized agent, persons duly
5 authorized by the State in connection with their official
6 duties, the Multistate Tax Commission or the authorized
7 representative thereof, except as otherwise provided by law.
8 Any offense against the foregoing provisions shall be punishable
9 as a class C felony."

10 SECTION 2. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 3. This Act shall take effect on its approval.

13

INTRODUCED BY:



BY REQUEST

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Report Title:

Taxation; Disclosure of Tax Return Information

Description:

Amends section 235-116, Hawaii Revised Statutes, to clarify that all information filed under chapter 235, Hawaii Revised Statutes, with any state agency is confidential.

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

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JUSTIFICATION SHEET

DEPARTMENT: Taxation

TITLE: A BILL FOR AN ACT RELATING TO THE DISCLOSURE OF TAX RETURNS AND TAX RETURN INFORMATION.

PURPOSE: To clarify that all information filed under chapter 235, Hawaii Revised Statutes, with any state agency is confidential.

MEANS: Amend section 235-116, Hawaii Revised Statutes.

JUSTIFICATION: The department believes this measure will clarify the extent to which the confidentiality provisions in chapter 235 apply.

Impact on the public: There is no significant impact to the general public.

Impact on the department and other agencies: The department and other agencies will benefit from clarity in the law regarding what information is confidential and subject to the penalties under section 235-116, Hawaii Revised Statutes.

GENERAL FUND: None.

OTHER FUNDS: None.

OTHER AFFECTED AGENCIES: Any agency that receives tax information. Currently, the Department of Agriculture, the Department of Business, Economic Development, and Tourism, and the Department of Health receive tax information for the purpose of tax credit administration.

EFFECTIVE DATE: Upon approval.