

STAND. COM. REP. NO.

1717

Honolulu, Hawaii

APR 24 2017

RE: H.C.R. No. 31

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred
H.C.R. No. 31 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF
TAXATION TO ADOPT RULES TO REQUIRE THAT ANY ASSESSMENT OF
PENALTY OR INTEREST ON TAXES BE ACCOMPANIED BY AN
EXPLANATION, INCLUDING CALCULATIONS, OF HOW THE AMOUNT OF THE
PENALTY OR INTEREST WAS DETERMINED,"

begs leave to report as follows:

The purpose and intent of this measure is to request the
Department of Taxation to adopt rules to require that any
assessment of penalty or interest on taxes be accompanied by an
explanation, including calculations, of how the amount of the
penalty or interest was determined.

Your Committee received testimony in support of this measure
from one individual.

Your Committee received comments on this measure from the
Department of Taxation.

Your Committee finds that pursuant to section 231-39, Hawaii
Revised Statutes, the Department of Taxation assesses penalties
and interest on taxpayers who fail to file a required return, fail
to make required tax payments, or underpay their taxes. Although
the department currently provides to each taxpayer who is assessed
a penalty or interest a statement that sets out the amount of the



penalty or interest, the statement generally does not include any explanatory language or supporting calculations. As a result, the taxpayer is often left with little understanding of how the department determined the amount of the penalty or interest being assessed. Thus, your Committee believes that the Department of Taxation should adopt rules to require that any assessment of penalty or interest on taxes be accompanied by an explanation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 31, and recommends its adoption.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

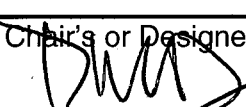


JILL N. TOKUDA, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HCR 31	Committee Referral: WAM	Date: 4/18/17		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
KAHELE, Kaiali'i				/
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
TOTAL	10			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes