

Honolulu, Hawaii

APR 05 2019

RE: H.B. No. 1043
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1043, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX APPEALS,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the state tax appeals process.

More specifically, this measure:

- (1) Replaces the existing tax boards of review with a single Tax Appeal Review Panel comprised of full-time members;
- (2) Amends the grounds upon which an appeal to the administrative appeals and dispute resolution program may be made by disallowing appeals of proposed assessments; and
- (3) Allows any person who has already filed an appeal with a board of review to continue or withdraw their appeal and refile their appeal with the Tax Appeal Review Panel until January 1, 2021, at which point all remaining appeals before a board of review shall automatically transfer to the Tax Appeal Review Panel.



Your Committee received written comments in support of this measure from the Department of Taxation.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

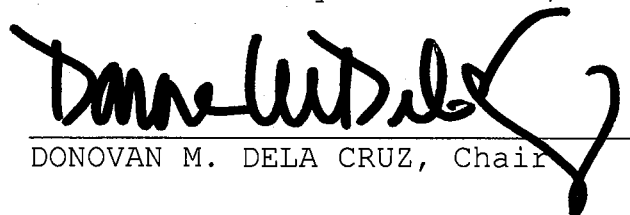
Your Committee finds that the State's existing tax appeals system faces numerous challenges that impede its ability to function. A substantial number of tax appeals to the boards of review have not been heard or have been substantially delayed due to the boards' inability to achieve a quorum. Your Committee further finds that replacing the boards of review with a single Tax Appeal Review Panel, with full-time members who are authorized to hear and decide cases individually, will allow tax appeals to be resolved more efficiently.

Your Committee has amended this measure by:

- (1) Moving provisions regarding the duties and powers of the Tax Appeal Review Panel from section 232-6, Hawaii Revised Statutes, to section 232-7, Hawaii Revised Statutes;
- (2) Changing the effective date to July 1, 2019; and
- (3) Making technical nonsubstantive amendments for purposes of consistency, clarity, and style.

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 is in accord with the intent and purpose of H.B. No. 1043, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1043, H.D. 1, S.D. 2.

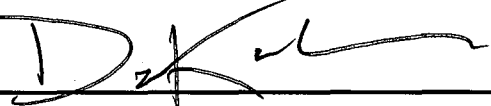
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1043, HD1, SD1	JDC, WAM	4/4/19		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	✓			
KEITH-AGARAN, Gilbert S.C. (VC)				✓
ENGLISH, J. Kalani	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
KAHELE, Kaiali'i	✓			
KANUHA, Dru Mamo	✓			
KIDANI, Michelle N.	✓			
MORIWAKI, Sharon Y.	✓			
RIVIERE, Gil	✓			
SHIMABUKURO, Maile S.L.	✓			
TANIGUCHI, Brian T.	✓			
FEVELLA, Kurt	✓			
TOTAL	12			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