

Honolulu, Hawaii

FEB 13 , 2020

RE: H.B. No. 2246
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2246, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX RETURN PREPARERS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require each tax return preparer to have a valid preparer tax identification number issued by the Internal Revenue Service and disclose this number on any return or claim for refund if required to do so by the Department of Taxation;
- (2) Beginning on January 1, 2021, establish penalties for violations; and
- (3) Authorize the Department of Taxation to bring a civil action for equitable relief against a tax return preparer.

Your Committee received testimony in support of this measure from the Department of Taxation and H&R Block. Your Committee received comments on this measure from the Tax Foundation of Hawaii.



Your Committee finds that many tax return preparers operate with little State oversight or accountability. Requiring all tax return preparers to have a preparer tax identification number will help ensure tax return preparers are held accountable for the returns they prepare. This measure also enables the Department to track tax return preparers in the State by leveraging the Internal Revenue Service identification number that is already required for preparing federal tax returns.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2246, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROY M. TAKUMI, Chair



State of Hawaii
House of Representatives
The THIRTIETH Legislature

HSCR 422-20

Record of Votes of the Committee on Consumer Protection & Commerce

| Bill/Resolution No.: HB 2246 HD1 | Committee Referral: IAC, CPC, FIN | Date: 2/10/20 | | |
|---|---|-------------------------|----------|----------|
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure. | | | | |
| The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) | | | | |
| CPC Members | Ayes | Ayes (WR) | Nays | Excused |
| 1. TAKUMI, Roy M. (C) | ✓ | | | |
| 2. ICHIYAMA, Linda (VC) | ✓ | | | |
| 3. AQUINO, Henry J.C. | ✓ | | | |
| 4. BELATTI, Della Au | ✓ | | | |
| 5. CABANILLA ARAKAWA, Rida | ✓ | | | |
| 6. CACHOLA, Romy M. | ✓ | | | |
| 7. HAR, Sharon E. | ✓ | | | |
| 8. KONG, Sam Satoru | ✓ | | | |
| 9. MIZUNO, John M. | ✓ | | | |
| 10. ONISHI, Richard H.K. | ✓ | | | |
| 11. MATSUMOTO, Lauren | ✓ | | | |
| TOTAL (11) | 11 | 0 | 0 | 0 |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">_____ committee acronym(s)</div> | | | | |
| Vice Chair's or designee's signature: <u><i>Linda Ichizawa</i></u> | | | | |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO | | | | |