

STAND. COM. REP. NO. 356

Honolulu, Hawaii

FEB 18 2021

RE: S.B. No. 787
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 787 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require that revenue estimates provided by the Department of Taxation to the Legislature or to any executive or administrative office be accompanied by a description of the methodology used and assumptions made in providing the estimate; and
- (2) Require the estimate and description to be open to public disclosure.

Your Committee received testimony in support of this measure from the Civil Beat Law Center for the Public Interest and one individual. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that the existing language of this measure may inadvertently mandate the disclosure of confidential taxpayer information. According to testimony received by your Committee, the disclosure of confidential taxpayer information leads to distrust in the voluntary tax compliance system and the



erosion of tax revenue. Your Committee finds that the Department of Taxation can provide the estimate and description required in this measure without disclosing any confidential taxpayer information.

Your Committee has amended this measure by removing language that would have exempted the revenue estimate and description from laws that restrict the disclosure of a tax return or tax return information.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 787, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 787, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,



SHARON MORIWAKI, Chair



