

JAN 21 2022

# A BILL FOR AN ACT

RELATING TO STATE TAX EXAMINATIONS.

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

SECTION 1. Chapter 231, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§231- Failure to respond during an examination. Any person who fails to respond or reply to the department's correspondence or inquiry within a timely manner during an inspection or examination of records under 231-3(6) shall be subject to one of the following:

(1) A penalty equal to twenty-five per cent of the tax owed; or

(2) A penalty of not more than \$10,000.

The director may waive the penalty if the failure was due to reasonable cause."

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

INTRODUCED BY: 



# S.B. NO. 2377

**Report Title:**

Tax Examination; Fine; Tax; Department of Taxation

**Description:**

Establishes a penalty for failure to respond to an inquiry or request during a state tax examination.

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

