

Honolulu, Hawaii

FEB 15 , 2022

RE: H.B. No. 1492
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred
H.B. No. 1492 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish a civil penalty
for failure to respond to a communication from the Department of
Taxation that is related to an inspection or examination of
records.

Your Committee received testimony in support of this measure
from the Department of Taxation. Your Committee received
testimony in opposition to this measure from one individual. Your
Committee received comments on this measure from the Tax
Foundation of Hawaii.

Your Committee finds that existing law is silent regarding
the consequences for a taxpayer who fails to respond to the
Department of Taxation during an official inspection or
examination of records. This measure enables the Department of
Taxation to effectively promote taxpayer compliance and efficient
tax administration by establishing penalties for those who fail to
respond to a departmental inquiry.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1492, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,


SEAN O'CONNOR, Chair



