

Honolulu, Hawaii
FEB 09 , 2022

RE: H.B. No. 1828
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. 1828 entitled:

"A BILL FOR AN ACT RELATING TO THE TAXATION BOARD OF REVIEW,"

begs leave to report as follows:

The purpose of this measure is to make various amendments
related to the Taxation Board of Review, including:

- (1) Reducing the membership from ten members to three, with
at least two required for quorum;
- (2) Establishing that the members are full-time employees,
with compensation based on a percentage of the salary of
the Director of Taxation;
- (3) Authorizing members to validate the board's actions with
a concurrence of the majority;
- (4) Clarifying that board meetings are contested case
hearings and specifying notice requirements; and
- (5) Appropriating funds for the Department of Taxation to
establish three full-time equivalent Taxation Board of
Review members and two full-time equivalent staff
positions.



Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee finds that existing law does not require the Chairperson of the Taxation Board of Review to have extensive experience with taxation and litigation or public accounting, all of which are necessary to ensure a fair tax appeals process. This measure would greatly assist the Department of Taxation with its backlog of tax appeals by requiring the Chairperson of the Taxation Board of Review to have such experience, and compensate the members appropriately, thereby ensuring that Hawaii's taxpayers have their tax appeal issues resolved fairly and expeditiously.

Your Committee has amended this measure by:

- (1) Clarifying that the existing volunteer members of the Taxation Board of Review, whose terms are not set to expire until after the effective date of this measure shall continue to serve until the Governor has appointed the new paid board; and
- (2) 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. 1828, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1828, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.



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



SEAN QUINLAN, Chair



