

Honolulu, Hawaii

FEB 08 , 2022

RE: H.B. No. 2176
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 Consumer Protection & Commerce, to which was referred H.B. No. 2176 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Authorize the Taxation Board of Review to validate its actions by a concurrence of a majority of the members who heard the appeal;
- (2) Eliminate the requirement that the Taxation Board of Review meet in each taxation district at least once annually;
- (3) Clarify the notice requirements for hearings by the Taxation Board of Review; and
- (4) Clarify the legal and evidentiary framework the Taxation Board of Review utilizes to reach decisions.

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



Your Committee finds that this measure clarifies the necessary administrative procedures for validating Taxation Board of Review (Board) actions, streamlines the legal notice and due process requirements for the Board to conduct contested case hearings, and further establishes the evidentiary frameworks that the Board must use in adjudicating issues and reaching its decisions. Establishing the clear institutional guidelines provided in this measure for the Board will greatly assist the Department of Taxation work through its significant backlog of appeals and ensure that Hawaii's taxpayers have their tax appeal issues resolved fairly and expeditiously.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2176, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2176, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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



AARON LING JOHANSON, Chair



