

STAND. COM. REP. NO.

874-22

Honolulu, Hawaii

MAR 04 , 2022

RE: H.B. No. 2177  
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 2177, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO STATE TAX ADMINISTRATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Expand the Department of Taxation's authority to require electronic filings;
- (2) Require certain tax return preparers to electronically file returns;
- (3) Repeal language that authorized the Director of Taxation to require electronic funds transfer or electronic filing if the federal government required a person to do so;
- (4) Remove the timeliness requirement of the electronic funds transfer penalty;
- (5) Remove the authority of the Department of Taxation to charge for certified copies of tax clearances;
- (6) Clarify tax clearances for liquor license holders;

2022-1947 HB2177 HD2 HSCR HMSO

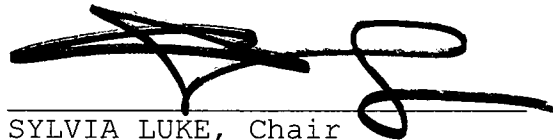


- (7) Increase the aggregate cap on late filing penalties;
- (8) Create an additional penalty category for late filing for certain informational returns where no tax is due;
- (9) Clarify the interest calculations for taxes paid pending appeal; and
- (10) Specify that a partnership, estate, or trust is liable for the required withholding from a nonresident taxpayer's distributive share of income.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2177, H.D. 2, and recommends that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



SYLVIA LUKE, Chair



