

STAND. COM. REP. NO.

2108

Honolulu, Hawaii

FEB 08 2022

RE: S.B. No. 2377

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2377 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to establish a penalty for failure to respond to an inquiry or request during a state tax examination.

Your Committee received testimony in support of this measure from the Department of Taxation.

Your Committee finds that, currently, the Department of Taxation's only remedy against a person for failure to respond or reply to the Department of Taxation's correspondence or inquiry within a timely manner during an official inspection or examination of records is a criminal penalty that is, at times, inappropriately harsh. The Department of Taxation needs tools and resources to help promote taxpayer compliance and efficient tax administration. This measure will provide for a civil penalty rather than only a criminal penalty, which would provide the Department of Taxation with options in penalizing taxpayers for noncompliance.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B.



No. 2377 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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

Karl Rhoads

KARL RHOADS, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:*	Committee Referral:	Date:		
SB2377	JDC, WAM	02-03-22		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
KEOHOKALOLE, Jarrett (VC)	✓			
ACASIO, Laura				✓
GABBARD, Mike	✓			
KIM, Donna Mercado	✓			
LEE, Chris	✓			
FEVELLA, Kurt		✓		
TOTAL	5	1	-	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Karl Rhoads</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes