

Honolulu, Hawaii  
, 2022

**MAR 22**

RE: S.B. No. 2379  
S.D. 2  
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  
S.B. No. 2379, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE SPECIAL ENFORCEMENT  
SECTION,"

begs leave to report as follows:

The purpose of this measure is to authorize the Special  
Enforcement Section of the Department of Taxation to:

- (1) Examine any sector of the State's economy;
- (2) Initiative civil investigations to ensure proper payment  
of all taxes due;
- (3) Use enforcement and education to deter and prevent non-  
compliance with state taxation laws; and
- (4) Refer and recommend cases or examinations of segments of  
the economy to Department of Taxation Auditors.

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 the Special Enforcement Section of the Department of Taxation was originally established to give the Department necessary resources and tools to target high-risk, cash-based transactions to ensure compliance with state tax laws. Your Committee further finds that the duties of the Special Enforcement Section need to be updated to reflect current policies and practices of the Department of Taxation. This measure would update the Special Enforcement Section's legal authority, thereby ensuring compliance with state tax laws and promoting fairness and transparency for Hawaii's taxpayers.

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 S.B. No. 2379, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2379, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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

  
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SEAN QUINLAN, Chair



