STAND. COM. REP. NO. 356

Honolulu, Hawaii

FEB 1 8 2021

RE: S.B. No. 787

S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 787 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require that revenue estimates provided by the Department of Taxation to the Legislature or to any executive or administrative office be accompanied by a description of the methodology used and assumptions made in providing the estimate; and
- (2) Require the estimate and description to be open to public disclosure.

Your Committee received testimony in support of this measure from the Civil Beat Law Center for the Public Interest and one individual. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that the existing language of this measure may inadvertently mandate the disclosure of confidential taxpayer information. According to testimony received by your Committee, the disclosure of confidential taxpayer information leads to distrust in the voluntary tax compliance system and the

erosion of tax revenue. Your Committee finds that the Department of Taxation can provide the estimate and description required in this measure without disclosing any confidential taxpayer information.

Your Committee has amended this measure by removing language that would have exempted the revenue estimate and description from laws that restrict the disclosure of a tax return or tax return information.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 787, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 787, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Government

Operations

SHARON MORTWAKT Chai:

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Government Operations GVO

Bill / Resolution No.:*	Committee Ref	erral:	Date ₁	<i>f</i>
SB 787	GVO, W	AM	10	
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:				
The Recommendation is:				
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313				
Members		Aye Aye (V	VR) Nay	Excused
MORIWAKI, Sharon Y. (C)				
DELA CRUZ, Donovan M. (VC	<u> </u>			
CHANG, Stanley				
GABBARD, Mike				
FEVELLA, Kurt		/		
				<u></u>
				
TOTAL		5		
Recommendation:				<u></u>
Adopted Not Adopted				
Chair's or Designee's Signature				
Distribution: Original File with Committee Re	Yellow eport Clerk's Offi	Pink ce Drafting Ac	gency Co	Goldenrod mmittee File Copy

*Only one measure per Record of Votes