

Honolulu, Hawaii

**FEB 29** , 2024

RE: H.B. No. 1805  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1805, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE PROCEDURE FOR PAYMENT UNDER PROTEST LAWSUITS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Specify that interest earned on payments made by a claimant under protest and paid by the Litigated Claims Fund shall be paid in nontaxation cases at a rate other than two percent if the claimant prevails; and
- (2) Establish a procedure for the disposition of monies and refiling of actions when a payment under protest suit is filed prematurely.

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

Your Committee notes the Department of Taxation's comments in testimony and suggested amendment to align the time limit to bring an action to recover payment of taxes made under protest for a premature payment and for a properly made payment, to both be thirty days. Your Committee finds that this suggestion merits



further consideration as this measure moves through the legislative process.

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. 1805, H.D. 1, and recommends that it pass Third Reading.

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



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KYLE T. YAMASHITA, Chair



