

Honolulu, Hawaii
FEB 13, 2024

RE: H.B. No. 2485
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 Judiciary & Hawaiian Affairs, to which was referred H.B. No. 2485 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) Repeal an obsolete fee for a certified copy of a tax clearance;
- (2) Add a penalty for failure to comply with reporting requirements under general excise tax law and transient accommodations tax law for collection of rent by a third party; and
- (3) Raise the unfair competition penalty under general excise tax law to adjust for inflation.

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



Your Committee finds that the updated fees for tax clearances and the updated penalty for unfair competition will improve tax administration and efficiency for the Department of Taxation.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 3000, to encourage further discussion; and
- (2) 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 Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2485, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



