

Honolulu, Hawaii
, 2024

FEB 13

RE: H.B. No. 2486
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. 2486 entitled:

"A BILL FOR AN ACT RELATING TO TAX ENFORCEMENT,"

begs leave to report as follows:

The purpose of this measure is to authorize the Department of Taxation to serve administrative subpoenas outside the State.

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 number of taxpayers who engage in business in the State, and who are therefore subject to state taxes, but who do not have a physical presence in the State or do not maintain a location for service of process in the State, has increased in recent years. Despite the Department of Taxation's authority to conduct an audit or investigation into any delinquent tax, the Department has encountered challenges with serving administrative subpoenas on out-of-state taxpayers who engage in business in the State. This measure will allow the Department to serve an administrative subpoena within and outside the State and serve as a key tool in helping the Department enforce tax laws and hold out-of-state taxpayers accountable for meeting their tax obligations.

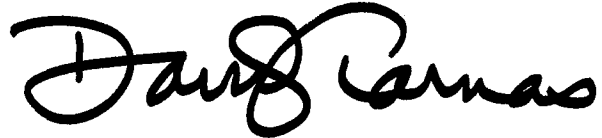
2024-1248 HB2486 HD1 HSCR HMSO



Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

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. 2486, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2486, 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



