

STAND. COM. REP. NO.

2842

Honolulu, Hawaii

MAR 0 1 2024

RE: S.B. No. 3175
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Ways and Means and Judiciary, to which was referred S.B. No. 3175 entitled:

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

beg leave to report as follows:

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

Your Committees received testimony in support of this measure from the Department of Taxation and one individual.

Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that in the digital economy, a growing number of taxpayers engage in business in Hawaii but do not have a physical presence in the State where administrative subpoenas may be served. Your Committees believe that by engaging in business in the State, a taxpayer implicitly consents to the exercise of the State's taxation power. Accordingly, your Committees find that this measure will allow the Department of Taxation to serve administrative subpoenas on these businesses and thus enforce state tax laws.



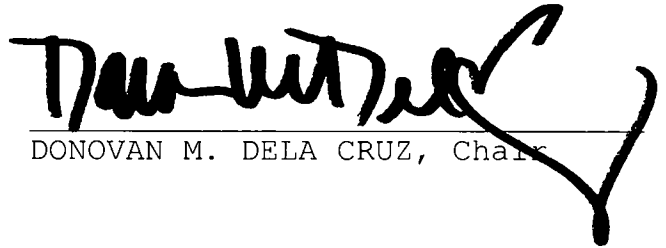
Your Committees have amended this measure by adding a savings clause section and renumbering subsequent sections accordingly.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3175, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3175, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committees on Ways and Means and Judiciary,



KARL RHOADS, Chair



DONOVAN M. DELA CRUZ, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:* SB 3175	Committee Referral: WAM / JDC	Date: 02 / 22 / 24
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)	✓			
ELEFANTE, Brandon J.C.	✓			
SAN BUENAVENTURA, Joy A.	✓			
AWA, Brenton	✓			
TOTAL	5	—	—	—

Recommendation:
 Adopted
 Not Adopted

Chair's or Designer's Signature:


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*Only one measure per Record of Votes