

ACT 123

H.B. NO. 2396

A Bill for an Act Relating to Tax Administration.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 235-20.5, Hawaii Revised Statutes, is amended to read as follows:

“§235-20.5 Tax administration special fund; established. (a) There is established a tax administration special fund, into which shall be deposited:

- (1) Fees collected under sections 235-20, 235-110.9, and 235-110.91;
- (2) Revenues collected by the special enforcement section pursuant to section 231-85; provided that in each fiscal year, of the total revenues collected by the special enforcement section, all revenues in excess of ~~[\$700,000]~~ \$2,000,000 shall be deposited into the general fund; and
- (3) Fines assessed pursuant to section 237D-4.
- (b) The moneys in the fund shall be used for the following purposes:
 - (1) Issuing comfort letters, letter rulings, written opinions, and other guidance to taxpayers;
 - (2) Issuing certificates under sections 235-110.9 and 235-110.91;
 - (3) Administering the operations of the special enforcement section; ~~[and]~~
 - (4) Funding support staff positions in the special enforcement section; and
- [4] (5) Developing, implementing, and providing taxpayer education programs, including tax publications.”

SECTION 2. The department of taxation may establish five new full-time equivalent (5.0 FTE) positions that may be staffed by investigators, investigator assistants, licensed attorneys, or other support staff, in addition to using existing employees of the department of taxation, to staff the special enforcement section established in Act 134, Session Laws of Hawaii 2009, as exigencies of public service may require. Positions established pursuant to this section shall be funded with moneys from the tax administration special fund pursuant to section 235-20.5(b), Hawaii Revised Statutes.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2018.

(Approved July 5, 2018.)