

STAND. COM. REP. NO.

744

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 711

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 711 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish a ten-year statute of limitations on tax collections, and to clarify that the three-year statute of limitations on tax assessments for the general excise tax, use tax, and other period taxes begins at the filing of each periodic return.

Your Committee received written comments in support of this measure from The Hawaii Chamber of Commerce of Hawaii, Hawaii Society of Certified Public Accountants, and two individuals. Comments were received from the Tax Foundation of Hawaii. Written comments opposing this measure was submitted by the Department of Taxation.

Your Committee finds that under existing law, Hawaii has no statute of limitations on the collection of delinquent taxes, unlike the federal government, which has a ten-year statute of limitations.

With regard to the three-year statute of limitations on assessment of periodic returns, your Committee finds that the existing law is confusing, and leaves law abiding taxpayers vulnerable to misinterpretation of their responsibilities in filing. Your Committee believes clarification would be in the best interests of both taxpayers and the State in its efforts to

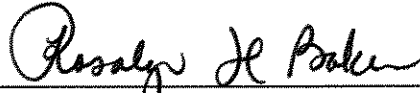
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administer Hawaii tax law in a judicious and efficient manner. The provisions in this measure will provide needed conformity with federal tax law, as well as ensure clarity for Hawaii taxpayers in meeting their tax obligations in a timely manner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 711 and recommends that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



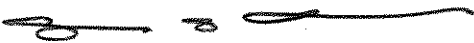
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ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 711	EDT, WAM	2-23-07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol				/
HOOSER, Gary L.	/			
KIM, Donna Mercado	/			
MENOR, Ron				/
TOKUDA, Jill N.	/			
HEMMINGS, Fred				/
WHALEN, Paul	/			
<b>TOTAL</b>	8	0	0	3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

\*Only one measure per Record of Votes