

STAND. COM. REP. NO.

988

Honolulu, Hawaii

MAR 24 2011

RE: H.B. No. 801
H.D. 2
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred H.B. No. 801, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify the Department of Taxation's subpoena authority for civil and criminal tax investigations.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that, aside from the 2009 amendment of section 231-7, Hawaii Revised Statutes, the statute that authorizes the Department of Taxation to issue subpoenas in civil and criminal cases, this section has not been updated since 1959. Your Committee understands that since 1959, procedures for issuing subpoenas have changed and the Department of Taxation provides more legal protections to subpoena recipients than is reflected in the statutory section. Accordingly, your Committee believes that this section should be updated to reflect current procedures and processes.

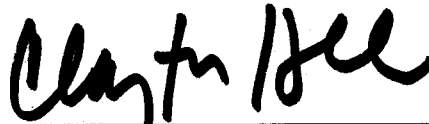
Your Committee has amended this measure by:



- (1) Inserting language more accurately describing the procedures for subpoenas in civil investigations;
- (2) Clarifying subpoena procedures in criminal cases;
- (3) Changing the effective date to July 1, 2050; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 801, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 801, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



CLAYTON FEE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* HB 801, HD 2	Committee Referral: JDL, WAM	Date: 3/23/11
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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
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile (VC)	✓			
GABBARD, Mike	✓			
IHARA, Jr., Les				✓
SLOM, Sam	✓			
TOTAL	4	0	0	1

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:

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***Only one measure per Record of Votes**