

Honolulu, Hawaii

MAY 01 2012

RE: S.B. No. 2947
S.D. 2
H.D. 2
C.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2947, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Establish monetary awards for whistleblowers for certain actions that may result in a Department of Taxation administrative or judicial action;
- (2) Authorize the Director of Taxation to appoint an administrative appeals officer;
- (3) Prohibit certain penalties from being added to tax underpayments on which certain other penalties are already imposed; and



- (4) Require all advertisements and solicitations for transient accommodations to display the registration identification number or the website address containing the registration identification number of the operator or plan manager.

Your Committee on Conference finds that several of the provisions in this measure have been incorporated in other measures. Your Committee on Conference has amended this measure accordingly, by deleting the provisions that:

- (1) Establish monetary awards for whistleblowers;
- (2) Prohibit certain penalties from being added to tax underpayments on which certain other penalties are already imposed; and
- (3) Require all advertisements and solicitations for transient accommodations to display the registration identification number or the website address containing the registration identification number of the operator or plan manager.

Your Committee on Conference has further amended this measure by:

- (1) Inserting language to amend section 231-3.4, Hawaii Revised Statutes, to require the Department of Taxation to submit the reports listed in section 231-3.4(a)(3), Hawaii Revised Statutes, to the Legislature annually and to submit by December 31, 2012, a report to the Legislature on the resources and information needed to complete the reports, identification of the best means of providing information in an electronic format; and recommendations for additional information that may be required for inclusion in the reports as the Department upgrades its tax computer systems and associated enterprise resource planning implementation;
- (2) Making the exploration and implementation by the Department of Taxation of all reasonable methods of covering the costs of distribution of the reports required in section 231-3.4, Hawaii Revised Statutes, discretionary rather than mandatory;
- (3) Appropriating \$104,505 for additional resources and staffing support for the Department of Taxation to



complete the reports required under section 231-3.4,
Hawaii Revised Statutes; and

- (4) Inserting an effective date of July 1, 2012.

As affirmed by the record of votes of the managers of your
Committee on Conference that is attached to this report, your
Committee on Conference is in accord with the intent and purpose of
S.B. No. 2947, S.D. 2, H.D. 2, as amended herein, and recommends
that it pass Final Reading in the form attached hereto as S.B.
No. 2947, S.D. 2, H.D. 2, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE


ON THE PART OF THE SENATE


ANGUS L.K. MCKELVEY, Co-Chair


CAROL FUKUNAGA, Chair


GILBERT KEITH-AGARAN, Co-Chair


MICHELLE N. KIDANI, Co-Chair


ISAAC W. CHOY, Co-Chair



Record of Votes of a Conference Committee

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|---|--------------------------------------|
| Bill / Concurrent Resolution No.: SB 2947, SD 2, HD 2 | Date/Time: 4/30/12, 9:00am |
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

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| <input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure | <input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure. |
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| Senate Managers | A | WR | N | E | House Managers | A | WR | N | E |
|--------------------------------------|----------|----------|----------|----------|-------------------------------------|----------|----------|----------|----------|
| FUKUNAGA, Carol, Chr. | ✓ | | | | MCKELVEY, Angus L.K., Co-Chr. | ✓ | | | |
| ICE, David Y., Co-Chr. <i>Kiddai</i> | ✓ | | | | KEITH-AGARAN, Gilbert S.C., Co-Chr. | ✓ | | | |
| SLOM, Sam | ✓ | | | | CHOY, Isaac W., Co-Chr. | ✓ | | | |
| | | | | | MARUMOTO, Barbara C. | ✓ | | | |
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| TOTAL | 3 | 0 | 0 | 0 | TOTAL | 4 | 0 | 0 | 0 |

A = Aye WR = Aye with Reservations N = Nay E = Excused

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| Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted |
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| Senate Lead Chair's or Designee's Signature: <i>Carol Fukunaga</i> | House Lead Chair's or Designee's Signature: <i>[Signature]</i> |
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