

Honolulu, Hawaii

March 2, 2012

RE: H.B. No. 1695

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 1695 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to incorporate the anti-stacking fairness provisions included in the federal Internal Revenue Code by prohibiting penalties for:

- (1) Failure to collect and pay taxes;
- (2) Substantial understatements or misstatements on tax returns; and
- (3) Erroneous claims for refund or credit on tax returns

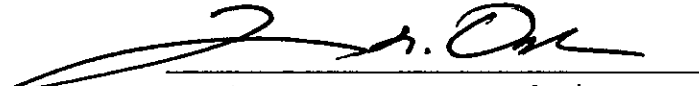
from being added to tax underpayments on which certain other penalties are already imposed.

Chun, Kerr, Dodd, Beaman & Wong, a Limited Liability Law Partnership and an individual supported this measure. Tax Foundation of Hawaii provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1695 and recommends that it pass Third Reading.



Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

  
MARCUS R. OSHIRO, Chair



State of Hawaii  
 House of Representatives  
 The Twenty-sixth Legislature

Record of Votes of the Committee on Finance

<b>Bill/Resolution No.:</b> HB 1695	<b>Committee Referral:</b> JUD, FIN	<b>Date:</b> 2/24/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
<b>FIN Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. OSHIRO, Marcus R. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. CHOY, Isaac W.	✓			
4. CULLEN, Ty	✓			
5. GIUGNI, Heather	✓			
6. HAR, Sharon E.	✓			
7. HASHEM, Mark J.	✓			
8. ICHIYAMA, Linda	✓			
9. JORDAN, Jo	✓			
10. KAWAKAMI, Derek S.K.				✓
11. LEE, Chris	✓			
12. MORIKAWA, Dee				✓
13. TOKIOKA, James Kunane				✓
14. YAMASHITA, Kyle T.	✓			
15. MARUMOTO, Barbara C.	✓			
16. RIVIERE, Gil	✓			
17. WARD, Gene				✓
<b>TOTAL (17)</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
<b>Vice Chair's or designee's signature:</b> <u>Maui</u>				
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