

STAND. COM. REP. NO.

2387

Honolulu, Hawaii

FEB 15 2018

RE: S.B. No. 2823
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2823 entitled:

"A BILL FOR AN ACT RELATING TO TAX ADMINISTRATION,"

begs leave to report as follows:

The purpose and intent of this measure is to increase funding for the Department of Taxation's Special Enforcement Section to investigate fraud and noncompliance, especially in relation to the transient accommodations tax.

More specifically, the measure increases the annual deposit ceiling of the tax administration special fund from \$700,000 to \$1,000,000.

Your Committee received testimony in support of this measure from the Department of Taxation.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Special Enforcement Section plays a major role in the Department of Taxation's efforts to encourage compliance with Hawaii's tax laws. Your Committee notes that the Special Enforcement Section is funded solely through the tax revenues that it collects and that are deposited into the tax administration special fund, which is currently capped at \$700,000

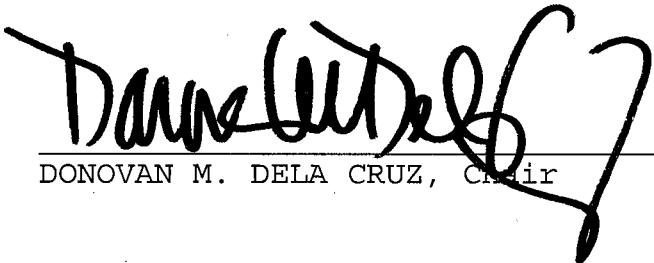


per fiscal year. Your Committee believes that an increase in funding would enable the Special Enforcement Section to enhance its tax enforcement functions and encourage voluntary compliance with the tax laws by increasing the department's exposure and visibility.

Your Committee has amended this measure by changing the effective date to July 1, 2018.

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. 2823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2823, S.D. 1, and be placed on the calendar for Third Reading.

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

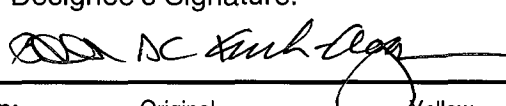


DONOVAN M. DELA CRUZ, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB2823	Committee Referral: WAM	Date: 2/8/18		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.				X
RIVIERE, Gil				X
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
TOTAL	8			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes