

STAND. COM. REP. NO.

**3032**

Honolulu, Hawaii

**FEB 28 2020**

RE: H.B. No. 1049  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1049, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to improve the Department of Taxation's ability to administer taxes.

More specifically, this measure makes various technical amendments to Chapters 231, 243, 244D, and 245, Hawaii Revised Statutes.

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, according to the Department of Taxation, Chapters 243 (fuel tax law), 244D (liquor tax law), and 245 (cigarette tax and tobacco tax law), Hawaii Revised Statutes, have not been reviewed for technical housekeeping amendments in many years. Your Committee believes that this measure will add clarity to the State's tax laws and allow for more effective administration.



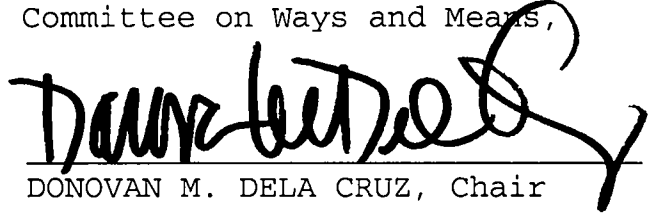
Your Committee has amended this measure by:

- (1) Adding a new section to Chapter 243, Hawaii Revised Statutes, to incorporate relevant provisions of Chapters 235 (income tax law) and 237 (general excise tax law), Hawaii Revised Statutes;
- (2) Amending sections in Chapters 243, 244D, and 245, Hawaii Revised Statutes, related to licensing and permitting, to operate in a consistent manner;
- (3) Repealing an obsolete provision in section 243-2, Hawaii Revised Statutes, regarding the licensing of fuel distributors;
- (4) Amending section 243-10, Hawaii Revised Statutes, to clarify that, other than information specifically designated as public records, fuel tax return information is confidential;
- (5) Removing direct wine shipper permits from the definition of "dealer" in section 244D-1, Hawaii Revised Statutes;
- (6) Amending section 245-33, Hawaii Revised Statutes, to reduce the amount refunded to taxpayers for unused cigarette tax stamps by any amount of discounted purchase price received under section 245-22(e), Hawaii Revised Statutes; and
- (7) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

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 H.B. No. 1049, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1049, H.D. 1, 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,

A handwritten signature in black ink, appearing to read "Donovan M. DeLa Cruz", written over a horizontal line.

DONOVAN M. DELA CRUZ, Chair



