

Honolulu, Hawaii

APR 23 2021

RE: S.B. No. 320  
H.D. 1  
C.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2021  
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. 320, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX RETURN PREPARERS,"

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) Require each tax return preparer to have a valid Preparer Tax Identification Number issued by the Internal Revenue Service and to furnish the Preparer's Tax Identification Number on any return or claim for refund prepared for compensation if required by the Department of Taxation;
- (2) Establish penalties for failure to comply with the Preparer Tax Identification Number requirements;
- (3) Beginning in calendar year 2022, establish continuing education requirements for tax return preparers;



- (4) Require the Board of Public Accountancy to adopt rules regarding continuing education, including compliance procedures and penalties for violations; and
- (5) Provide that tax return preparers shall not be liable for penalties prior to January 1, 2022.

Your Committee on Conference finds that many tax preparers in the State operate with little oversight or accountability. Your Committee on Conference further finds that requiring all tax return preparers to have a Preparer Tax Identification Number issued by the Internal Revenue Service to prepare a claim for refund or return for compensation will help taxpayers and the Department of Taxation ensure that tax return preparers are held accountable for the returns they prepare. This measure will provide greater consumer protection resources and promote accurate tax administration.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have established continuing education requirements for tax return preparers and language that would have required the Board of Public Accountancy to adopt continuing education courses for tax return preparers;
- (2) Deleting language that would have exempted tax return preparers from penalties prior to January 1, 2022, in light of the change to the effective date;
- (3) Inserting an effective date of January 1, 2022; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 320, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 320, H.D. 1, C.D. 1.




Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE

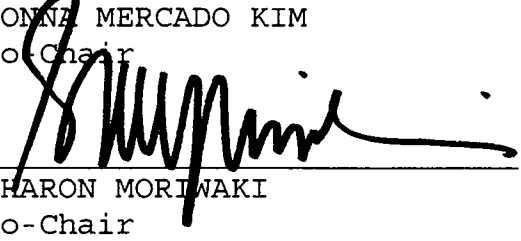
ON THE PART OF THE SENATE

  
AARON LING JOHANSON  
Co-Chair

  
ROSALYN H. BAKER  
Chair

  
SCOTT Y. NISHIMOTO  
Co-Chair

  
DONNA MERCADO KIM  
Co-Chair

  
SHARON MORIWAKI  
Co-Chair



Hawai'i State Legislature

CCR 86

Record of Votes of a  
Conference Committee

Bill / Concurrent Resolution No.: <b>SB 320, HD 1</b>	Date/Time: <i>4/21/21 1:32 PM</i>
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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.

<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
BAKER, Rosalyn H., Chr.	✓				JOHANSON, Aaron Ling, Co-Chr.	✓			
KIM, Donna Mercado, Co-Chr.	✓				NISHIMOTO, Scott Y., Co-Chr.	✓			
MORIWAKI, Sharon Y., Co-Chr.	✓				MATSUMOTO, Lauren	✓			
<b>TOTAL</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>TOTAL</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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: 	House Lead Chair's or Designee's Signature: 
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**Distribution:**      **Original**      **Yellow**      **Pink**      **Goldenrod**  
*File with Conference Committee Report      House Clerk's Office      Senate Clerk's Office      Drafting Agency*