
A BILL FOR AN ACT

RELATING TO STATE TAX EXAMINATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 231, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§231- Failure to respond during an inspection or
5 examination. (a) Any person who fails to respond or reply to
6 the department's correspondence or inquiry within a timely
7 manner during an inspection or examination of records under
8 section 231-3(6) shall be subject to a penalty equal to twenty-
9 five per cent of the tax owed; provided that the penalty shall
10 not exceed \$10,000.

11 (b) The director may waive the penalty imposed in
12 subsection (a) if the failure was due to reasonable cause."

13 SECTION 2. This Act does not affect rights and duties that
14 matured, penalties that were incurred, and proceedings that were
15 begun before its effective date.

16 SECTION 3. New statutory material is underscored.

17 SECTION 4. This Act shall take effect upon its approval.



S.B. NO. 2377
S.D. 1

Report Title:

Department of Taxation; Tax Examination; Tax Inspection;
Records; Penalty

Description:

Establishes a penalty for failure to respond to an inquiry or request during an official state tax inspection or examination of records. (HD1)

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