

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: ADMINISTRATION, Sale of seized property

BILL NUMBER: SB 1192; HB 961 (Identical)

INTRODUCED BY: SB by Kim by request; HB by Souki by request

BRIEF SUMMARY: Amends HRS section 231-25(b) to increase the time that the department of taxation has to sell seized property due to the failure of a taxpayer to pay delinquent taxes from 30 days to 180 days and within 45 days due to any extension of time granted. The time period shall be tolled for the pendency of any action commenced by any person relating to the seized property.

EFFECTIVE DATE: Upon approval

STAFF COMMENTS: This is an administration measure submitted by the department of taxation TAX-10 (13). The proposed measure would increase the time that the department of taxation has to dispose of and sell seized property due to nonpayment of taxes, allowing the department to deal with any appeal that may be brought by the taxpayer and still have time in which to dispose of the property should the department be successful in fending off the appeal. While the measure would allow the toll of any time period, consideration should be given to ensure that appeals by the taxpayer are processed within a reasonable time period to reach a settlement or decision, since without any time restrictions an appeal may be conducted without any expediency.

Digested 1/28/13