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STATE OF HAWAII  
DEPARTMENT OF TAXATION

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January 6, 2023

The Honorable Senator Donovan M. Dela Cruz, Chair  
Members of the Senate Committee on Ways and Means

The Honorable Representative Kyle T. Yamashita, Chair  
Members of the House Committee on Finance

**Re: DOTAX FB 2023-2025 Legislative Budget Briefing Testimony**

Dear Chair Dela Cruz, Chair Yamashita and Members of the Committees:

Thank you for the opportunity to present our budget request for FB 2023-2025.

The Department of Taxation (DOTAX) continues to move forward with planned initiatives to improve the State's financial infrastructure by implementing goals to be able to better serve the people of Hawai'i. DOTAX remains focused on program stabilization and the execution of its operational responsibilities towards enforcing tax laws in a fair and uniform manner.

DOTAX's strategic goals are to increase voluntary compliance, reduce tax fraud, provide excellent customer service to all stakeholders, address tax receivable balances, modernize technology and improve efficiencies through the Tax System Modernization (TSM). These goals will ensure our taxpayers will understand their tax responsibilities as we continue to enforce the law with integrity and fairness.

To fulfill our mission and reach our goals, DOTAX presents the budget request for FB 2023-2025 as follows:

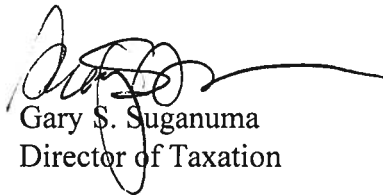
1. TAX100 CH, establish positions in the Hawai'i District Office
2. TAX100 CH, fund half-year funded position in the Hawai'i District Office
3. TAX100 CH, increase the spending in the Hawai'i District Office (OCE)
4. TAX100 CK, establish positions in the Kaua'i District Office
5. TAX100 CK, fund half-year funded position in the Kaua'i District Office
6. TAX100 CK, increase the spending in the Kaua'i District Office (OCE)
7. TAX100 CM, establish positions in the Maui District Office
8. TAX100 CM, increase the spending in the Maui District Office (OCE)
9. TAX105 BC, fund unfunded position in the Taxpayer Services Branch (TSP Div.)
10. TAX100 CO, fund half-year funded positions in the Oahu Office Audit Branch
11. TAX107 AA, fund unfunded position in the Rules Office

12. TAX100 CP, establish positions in the Criminal Investigation Section (CIS)
13. TAX107 AC, fund unfunded position in the Information Technology Services Office (ITSO)
14. TAX107 AC, increase the spending in ITSO (OCE)
15. TAX107 AC, fund the TSM Project – monitor and maintenance (OCE)
16. TAX107 AA, fund the unfunded Deputy Director position
17. TAX107 AA, establish position in the Office of the Director
18. TAX100 CP, fund newly established positions in the Oahu Field Audit Branch
19. TAX107 AA, fund newly established positions for the Taxation Board of Review
20. TAX107 AA, establish position on the Taxation Board of Review
  
21. TAX100 EO to TAX103 EO, transfer out/in positions and funds
22. TAX100 CO to TAX103 EO, transfer out/in OCE expenditures and funds
23. TAX100 EO to TAX100 CO, transfer out/in position and funds
24. TAX105 BA to TAX107 AC, transfer out/in positions and funds
25. TAX107 AA to TAX107 AA, transfer out/in position

DOTAX appreciates the ongoing support and help from the Legislature to maintain and improve its operation, and this budget request is geared towards achieving our mission and goals over the next two (2) fiscal years.

Thank you for this opportunity to testify on the DOTAX FB 2023-2025 budget request.

Very truly yours,



Gary S. Sukanuma  
Director of Taxation

Attachments

**FB 2023-25 Legislative Budget Briefing Testimony**  
**Department of Taxation (DOTAX)**  
**Program ID & Sub-Organization**  
**Legend**

<b>Program ID</b>	<b>Sub-Org Code</b>	<b>Program Name</b>
TAX100	CH	Compliance Division - Hawaii District Office
TAX100	CK	Compliance Division - Kauai District Office
TAX100	CM	Compliance Division - Maui District Office
TAX100	CO	Compliance Division - Oahu Office Audit Branch
TAX100	CP	Compliance Division - Oahu Field Audit Branch
TAX103	EO	Tax Collection Services Office
TAX105	BA	Tax Services & Processing Division - Document Processing Branch
TAX105	BB	Tax Services & Processing Division - Revenue Accounting Branch
TAX105	BC	Tax Services & Processing Division - Taxpayer Services Branch
TAX107	AA	Office of the Director, Rules Office, & Administrative Services Office (ASO)
TAX107	AC	Information Technology Services Office (ITSO)
TAX107	AD	Tax Research & Planning (TRP) Office

Department of Taxation  
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Dept-Wide	Statutory Reference
				Priority	
Compliance					
	To promote and maintain a tax system based on self-assessment and voluntary compliance by taxpayers through the consistent and fair application of all State tax laws administered by the Department; and to reduce the amount of outstanding taxes owed to the State.		TAX 100	2	
		Field Audit			Title 14, Chapter 231, 231-3, HRS (generally)
		Office Audit			Title 14, Chapter 231, 231-3, HRS (generally)
		District Offices			Title 14, Chapter 231, 231-3, HRS (generally); 231-10, HRS (specifically)
		Criminal Investigation			Title 14, Chapter 231, 231-3, HRS (generally); 231-4.3, 231-34 through 231-36, HRS (specifically)
		Special Enforcement			Title 14, Chapter 231, 231-3, HRS (generally); 231-81 through 235-20.5 (specifically)
Tax Collection Services Office					
	To collect delinquent taxes due to the State by enforcing all State tax laws fairly and consistently.		TAX 103	3	Title 14, Chapter 231, 231-3, HRS (generally); 231-25 through 231-70, HRS (specifically)

Department of Taxation  
Functions

Table 1

<u>Division</u>	<u>Description of Function</u>	<u>Activities</u>	<u>Prog ID(s)</u>	<u>Dept-Wide</u>	
				<u>Priority</u>	<u>Statutory Reference</u>
Tax Services and Processing					
	To process all tax documents received in the most efficient and expeditious manner possible; to maintain accurate accounting records for all tax programs; to promote voluntary taxpayer compliance through timely delivery of information, forms, and responses to questions and inquiries; and to provide assistance to taxpayers' inquiries through call center and web messaging.		TAX 105	1	
		Document Processing			Title 14, Chapter 231, 231-3, HRS (generally); 231-3, 231-8.5, 231-9.9, HRS (specifically)
		Revenue Accounting			Title 14, Chapter 231, 231-3, HRS (generally)
		Taxpayer Services			Title 14, Chapter 231, 231-3, HRS (generally)

Department of Taxation  
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Dept-Wide	Statutory Reference
				Priority	
Supporting Services	Revenue Collection				
	To provide administrative direction in implementing the Department's tax programs so as to enhance effectiveness and efficiency for formulating policies, allocating resources and providing direction to operations; and to improve the State's policy and decision-making process by providing timely and accurate tax data and interpretive information. This program also provides all of the administrative and technology support for the Department.		TAX 107	4	
		Administrative Services			Title 14, Chapter 231, 231-3, HRS (generally)
		Rules			Title 14, Chapter 231, 231-3, HRS (generally); 231-4.5, HRS (specifically)
		Information Technology Services			Title 14, Chapter 231, 231-3, HRS (generally); 231-8.5, HRS (specifically)
		Tax Research and Planning			Title 14, Chapter 231, 231-3, HRS (generally); 231-3.4, HRS (specifically)
		Council on Revenues			Haw. Const. Art. VII, Sec. 7; Chapter 37 Part VI, HRS (generally)
		Tax Review Commission			Haw. Const. Art. VII, Sec. 3; Chapter 232E, HRS (generally)
		Boards of Review			Title 14, Chapter 232, HRS (generally)

Department of Taxation  
Department-Wide Totals

Table 2

Fiscal Year 2023					
Budget Acts Appropriation	Restrictions	Additions	Emergency Appropriations	Total FY23	MOF
\$ 26,970,834.00	\$ (2,297,080.00)	\$ 521,668.00	\$ -	\$ 25,195,422.00	A
\$ 3,567,116.00	\$ -	\$ 11,010.00	\$ -	\$ 3,578,126.00	B
				\$ -	
				\$ -	
				\$ -	
				\$ -	
\$ 30,537,950.00	\$ (2,297,080.00)	\$ 532,678.00	\$ -	\$ 28,773,548.00	Total
Fiscal Year 2024					
Budget Acts Appropriation	Reductions	Additions		Total FY24	MOF
\$ 28,534,980.00	\$ -	\$ 12,344,817.00		\$ 40,879,797.00	A
\$ 3,603,402.00	\$ -	\$ -		\$ 3,603,402.00	B
				\$ -	
				\$ -	
				\$ -	
				\$ -	
\$ 32,138,382.00	\$ -	\$ 12,344,817.00	\$ -	\$ 44,483,199.00	Total
Fiscal Year 2025					
Budget Acts Appropriation	Reductions	Additions		Total FY25	MOF
\$ 29,467,959.00	\$ -	\$ 8,224,117.00		\$ 37,692,076.00	A
\$ 3,627,620.00	\$ -	\$ -		\$ 3,627,620.00	B
				\$ -	
				\$ -	
				\$ -	
				\$ -	
\$ 33,095,579.00	\$ -	\$ 8,224,117.00	\$ -	\$ 41,319,696.00	Total

Department of Taxation  
Program ID Totals

Table 3

Prog ID	Program Title	MOF	As budgeted (FY23)			Governor's Submittal (FY24)				Governor's Submittal (FY25)			
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Percent Change of \$\$\$\$	Pos (P)	Pos (T)	\$\$\$	Percent Change of \$\$\$\$
TAX100	Compliance	A	182	3	11,278,417	137	2	9,420,675	-16.5%	137	2	9,762,345	-13.4%
	Tax Collection Service												
TAX103	Office	A	0	0	-	47	1	2,835,971	NA	47	1	2,929,269	NA
TAX105	Tax Services & Processing	A	136	76	6,477,667	133	76	6,762,616	4.4%	133	76	7,023,850	8.4%
TAX107	Supporting Services-Rev Collection	A	79	9	9,214,750	88	8	21,860,535	137.2%	88	8	17,976,612	95.1%
TAX107	Supporting Services-Rev Collection	B	0	13	3,567,116	0	13	3,603,402	1.0%	0	13	3,627,620	1.7%



Department of Taxation  
Budget Decisions

Table 4

Prog ID	Sub-Org	Description of Request	MOF	Initial Department Requests						Budget and Finance Recommendations						Governor's Decision					
				FY24			FY25			FY24			FY25			FY24			FY25		
				Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
TAX100	CH	Establish positions in the Hawaii Dist Office.	A	6.00		\$ 140,634	6.00		\$ 295,332	6.00		\$ 140,634	6.00		\$ 295,332						
TAX100	CH	Fund half-year funded position in the Hawaii Dist Office.	A			\$ 68,928			\$ 72,372			\$ 68,928			\$ 72,372			\$ 29,610	\$ 32,550		
TAX100	CH	Increase OCE for Hawaii Dist Office.	A			\$ 57,500			\$ 29,500			\$ 57,500			\$ 29,500						
TAX100	CK	Establish positions in the Kauai Dist Office.	A	6.00		\$ 154,530	6.00		\$ 322,788	6.00		\$ 154,530	6.00		\$ 322,788						
TAX100	CK	Fund half-year funded position in the Kauai Dist Office.	A			\$ 68,928			\$ 72,372			\$ 68,928			\$ 72,372			\$ 29,610	\$ 32,550		
TAX100	CK	Increase OCE for Kauai Dist Office.	A			\$ 40,000			\$ 20,000			\$ 40,000			\$ 20,000						
TAX100	CM	Establish positions in the Maui Dist Office.	A	4.00		\$ 97,530	4.00		\$ 204,804	4.00		\$ 97,530	4.00		\$ 204,804						
TAX100	CM	Increase OCE for Maui Dist Office.	A			\$ 51,720			\$ 29,720			\$ 51,720			\$ 29,720						
TAX105	BC	Fund Unfunded Position in the Taxpayer Services Branch.	A	1.00		\$ 56,676	1.00		\$ 59,508	1.00		\$ 56,676	1.00		\$ 59,508						
TAX100	CO	Fund Half-year Funded Positions in the Oahu Office Audit	A			\$ 170,028			\$ 178,524			\$ 170,028			\$ 178,524			\$ 70,416	\$ 83,232		
TAX107	AA	Fund Unfunded Position in the Rules Office.	A			\$ 103,198			\$ 107,294			\$ 103,198			\$ 107,294						
TAX100	CP	Establish Positions in the Criminal Investigation Section	A	2.00		\$ 56,280	2.00		\$ 116,592	2.00		\$ 56,280	2.00		\$ 116,592						
TAX107	AC	Fund Unfunded Position in the Information Technology	A			\$ 80,184			\$ 83,064			\$ 80,184			\$ 83,064						
TAX107	AC	Increase the spending in ITSO (OCE).	A			\$ 495,000			\$ 295,000			\$ 495,000			\$ 295,000						
TAX107	AC	Fund the TSM Project--Monitor and Maintenance (OCE).	A			\$ 11,359,926			\$ 7,198,030			\$ 11,359,926			\$ 7,198,030			\$ 8,017,617	\$ 3,855,721		
TAX107	AC	Transferring IT Funds from Enterprise Technology Services to DOTAX	A															\$ 3,342,309	\$ 3,342,309		
TAX107	AA	Fund Unfunded Deputy Director Position.	A			\$ 161,028			\$ 165,048			\$ 161,028			\$ 165,048			\$ 161,028	\$ 165,048		
TAX107	AA	Establish Position in the Office of the Director.	A	1.00		\$ 90,000	1.00		\$ 100,000	1.00		\$ 90,000	1.00		\$ 100,000						
TAX100	CP	Fund Newly Established Positions in the Oahu Field Audit	A	2.00		\$ 160,368	2.00		\$ 166,128	2.00		\$ 160,368	2.00		\$ 166,128	2.00		\$ 160,368	\$ 166,128		
TAX107	AA	Fund Newly Established Positions for the Taxation Board of Review.	A	5.00		\$ 533,859	5.00		\$ 546,579	5.00		\$ 533,859	5.00		\$ 546,579	5.00		\$ 533,859	\$ 546,579		
TAX107	AA	Establish Position on the Taxation Board of Review.	A	1.00		\$ 90,000	1.00		\$ 100,000	1.00		\$ 90,000	1.00		\$ 100,000						
TAX107	AA	Correct Legislative Error	A													1.00	(1.00)		1.00		
TAX100	EO	To establish Tax Coll Svc under Dir.	A	(47.00)	(1.00)	\$ (2,300,656)	(47)	(1.00)	\$ (2,300,656)	(47.00)	(1.00)	\$ (2,300,656)	(47)	(1.00)	\$ (2,300,656)	(47.00)	(1.00)	\$ (2,457,071)	\$ (2,550,369)		
TAX103	EO	To establish Tax Coll Svc under Dir.	A	47.00	1.00	\$ 2,300,656	\$ 47	1.00	\$ 2,300,656	47.00	1.00	\$ 2,300,656	\$ 47	1.00	\$ 2,300,656	47.00	1.00	\$ 2,457,071	\$ 2,550,369		
TAX100	CO	To establish Tax Coll Svc under Dir.	A			\$ (378,900)			\$ (378,900)			\$ (378,900)			\$ (378,900)			\$ (378,900)	\$ (378,900)		
TAX103	EO	To establish Tax Coll Svc under Dir.	A			\$ 378,900			\$ 378,900			\$ 378,900			\$ 378,900			\$ 378,900	\$ 378,900		
TAX100	EO	Transfer out Tax Comp Coord from EO.	A	(1.00)		\$ (95,004)	\$ (1)		\$ (95,004)	(1.00)		\$ (95,004)	\$ (1)		\$ (95,004)	(1.00)		\$ (95,004)	\$ (95,004)		
TAX100	CO	Transfer in Tax Comp Coord to CO.	A	1.00		\$ 95,004	\$ 1		\$ 95,004	1.00		\$ 95,004	\$ 1		\$ 95,004	1.00		\$ 95,004	\$ 95,004		
TAX105	BA	Transfer out positions and funds from TSP.	A	(3.00)		\$ (153,012)	\$ (3)		\$ (153,012)	(3.00)		\$ (153,012)	\$ (3)		\$ (153,012)	(3.00)		\$ (153,012)	\$ (153,012)		
TAX107	AC	Transfer in positions to ITSO.	A	3.00		\$ 153,012	\$ 3		\$ 153,012	3.00		\$ 153,012	\$ 3		\$ 153,012	3.00		\$ 153,012	\$ 153,012		
TAX107	AA	Transfer out ARS from Rules.	A	(1.00)		\$ (66,084)	\$ (1)		\$ (66,084)	(1.00)		\$ (66,084)	\$ (1)		\$ (66,084)						
TAX107	AA	Transfer in ARS to ASO.	A	1.00		\$ 66,084	\$ 1		\$ 66,084	1.00		\$ 66,084	\$ 1		\$ 66,084						
TAX107	AA	Transfer PS from TAX107/AA to TAX107/AC	A															\$ (231,150)	\$ (231,150)		
TAX107	AC	Transfer PS from TAX107/AA to TAX107/AC	A															\$ 231,150	\$ 231,150		
		TOTALS	A	28.00	-	14,036,317	28.00	-	10,162,655	28.00	-	14,036,317	28.00	-	10,162,655	8.00	(1.00)	12,344,817	8,224,117		

Department of Taxation  
Proposed Budget Reductions

Table 5

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Description of Reduction</u>	<u>Impact of Reduction</u>	<u>MOF</u>	<u>FY24</u>			<u>FY25</u>			<u>FY23 Restriction (Y/N)</u>
					<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$\$</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$\$</u>	
		NONE									

Department of Taxation  
Proposed Budget Additions

Table 6

Prog ID	Sub-Org	Addition Type	Prog ID Priority	Dept-Wide Priority	Description of Addition	Justification	MOF	FY24			FY25		
								Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
TAX100	CH	AR	1	1	Establish positions in the Hawaii Dist Office.	Additional positions needed due to Hawaii island population increase and new/expanding businesses. Also to address back-log of collection cases and tax receivables. Some of these positions were abolished in FY21.	A	6.00		140,634	6.00		295,332
TAX100	CH	AR	2	2	Fund half-year funded position in the Hawaii Dist Office.	Fund half-year funded position in the Hawaii Dist Office.	A			68,928			72,372
TAX100	CH	AR	3	3	Increase OCE for Hawaii Dist Office.	The telephone system upgrade is DOTAX's project statewide. Travel expenses is necessary for staff to attend training and conferences, so they keep up with the updated knowledge, rules, regulations, laws, etc. Furniture and equipment replacement is one-time cost, and it is necessary for program's operation.							
TAX100	CK	AR	4	4	Establish positions in the Kauai Dist Office.	Additional positions needed due to an increase volume of tax returns requiring audits due to Kauai's population increase. Also to address the existing inventory of collection cases and tax receivables. The total delinquent debt attributable to Kauai has increased and is increasing annually. Similarly, the delinquency is also increasing. Some of these positions were abolished in FY21.	A	6.00		154,530	6.00		322,788
TAX100	CK	AR	5	5	Fund half-year funded position in the Kauai Dist Office.	Fund half-year funded position in the Kauai Dist Office.	A			68,928			72,372
TAX100	CK	AR	6	6	Increase OCE for Kauai Dist Office.	The telephone system upgrade is DOTAX's project statewide. Travel expenses is necessary for staff to attend training and conferences, so they keep up with the updated knowledge, rules, regulations, laws, etc. Furniture and equipment replacement is one-time cost, and it is necessary for program's operation.	A			40,000			20,000
TAX100	CM	AR	7	7	Establish positions in the Maui Dist Office.	Additional positions needed due to Maui County's 6.4% population increase over the last decade. Expecting a corresponding increase in collections and audit cases to grow in line with the population. Maui also anticipates a need for increased taxpayer services due to the population growth.	A	4.00		97,530	4.00		204,804
TAX100	CM	AR	8	8	Increase OCE for Maui Dist Office.	The telephone system upgrade is DOTAX's project statewide. Travel expenses is necessary for staff to attend training and conferences, so they keep up with the updated knowledge, rules, regulations, laws, etc. Furniture and equipment replacement is one-time cost, and it is necessary for program's operation.	A			51,720			29,720
TAX105	BC	AR	1	9	Fund Unfunded Position in the Taxpayer Services Branch, Tax Services & Processing Division (TSP).	This position was established per Act 248, SLH 2022. It was not funded, and full-year funding is needed for program's operation. The establishing of the position is to correct a deletion error in SLH 2021.				56,676	1.00		59,508
TAX100	CO	AR	9	10	Fund Half-year Funded Positions in the Oahu Office Audit Branch.	Fund Half-year Funded Positions in the Oahu Office Audit Branch.	A			170,028			178,524
TAX107	AA	AR	1	11	Fund Unfunded Position in the Rules Office.	Funding and filling the Administrative Rules Specialist position (#117972) is important for the Rules Office in providing quality in-house legal services within DOTAX.				103,198			107,294
TAX100	CP	AR	10	12	Establish Positions in the Criminal Investigation Section (CIS).	The Department of Taxation is constantly receiving fraudulent tax return filings. The types of fraud refund schemes are constantly changing and getting more sophisticated. The Department of Taxation needs a qualified individual who can review suspect tax returns and refer those suspect tax returns to the appropriate section for further evaluation. This candidate must also be able to develop fraud detectors to identify new fraud refund schemes, and actively participate in testing those enhancements. The candidate must also be able to communicate with the IRS and other State tax authorities to share findings and solutions to identifying new fraud refund schemes.				56,280	2.00		116,592
TAX107	AC	AR	2	13	Fund Unfunded Position in the Information Technology Services Office (ITSO).	Additional resources are needed on the system networking team to assist with the phone system conversion to VOIP and the maintenance of the new system, upgrade of the Windows operating system and implementation of additional network and computer security measures.				80,184			83,064

Department of Taxation  
Proposed Budget Additions

Table 6

Prog ID	Sub-Org	Addition Type	Prog ID Priority	Dept-Wide Priority	Description of Addition	Justification	MOE	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
TAX107	AC	AR	3	14	Increase the spending in ITSO (OCE).	<ol style="list-style-type: none"> <li>1. Voice over IP (VOIP) licenses are required to modernize the phone system and enable users to receive phone calls while working in different locations, including work from home.</li> <li>2. Workstation refresh is required to keep department computers on supported software and hardware. The budget is to replace about 25% of the department computers per year. The department is already behind in workstations updates since funding was not allocated in FY23.</li> <li>3. Adobe licenses were previously funded by ETS but full ETS support ended in FY23. DOTAX needs the funds to support Adobe applications for department users.</li> <li>4. IVR Maintenance professional services enables the department to update call flows for the call center to adjust to new call queues or optimize flows based on call volume.</li> <li>5. Current network cabling leave network equipment and wires improperly exposed which creates IT security vulnerabilities.</li> <li>6. Security Assessment and Remediation enables the department to comply with new security requirements and audit findings, such as IRS requirements and audits.</li> <li>7. Work From Equipment - Laptops and computer peripherals to enable work from home for a portion of the department.</li> <li>8. VOIP Installation - Professional services support to install and configure VOIP solution and ensure integration with the call center solution. Also includes any additional phone or headsets equipment needed for implementation.</li> </ol>				495,000			295,000
TAX107	AC	AR	4	15	Fund the TSM Project--Monitor and Maintenance (OCE). Recurring items.	<ol style="list-style-type: none"> <li>1. ICS Maintenance is required to continue to operate the document scanning software and hardware required to process paper forms and payments.</li> <li>2. ServPac Datacenter Renewal is required to continue operating the hardware, servers, database, and network equipment for department hosted applications.</li> <li>3. GenTax Maintenance and Support allows the department to remain current and secure with vendor application updates.</li> <li>4. FAST Hosted Services is required to continue operating the hardware, servers, database, and network equipment for the GenTax application.</li> <li>5. ICS Professional Services ensure the department can upgrade and support the document scanning software and hardware required to process paper forms and payments.</li> <li>6. FAST Professional services provides high level development support to enable the department to implement new tax law changes and application enhancements to increase tax collection or provide new services to taxpayers or department users.</li> <li>7. FAST Central Tech is required for 24/7 experienced technical support of the GenTax application. Vendor support is required since the vendor is hosting the hardware.</li> <li>8. FTA annual maintenance fee is required to participate in the Federation of Tax Administrators and receive support and information from other agencies in the federation.</li> <li>9 &amp; 11. GenTax Identity Services protects the department against the increasing threat of fraud by validating user identity and tax return information against public information and previously filed tax information prior to processing a return.</li> <li>10. The GenTax Core21 upgrade is required for the application code base to remain supported. The current coding language (VB.net) is no longer being updated by Microsoft. The version upgrade includes new features that will increase reliability and the departments effectiveness in Tax administration.</li> <li>11. The GenTax Identity Services Implementation is required to properly setup and configure the new service that will be hosted by the vendor. This includes setting up all the fraud rules that will be unique to DOTAX.</li> </ol>				7,003,176			7,198,030
TAX107	AC	NR	4	15	Fund the TSM Project--Monitor and Maintenance (OCE). Non-recurring items.	See above	A			4,356,750			
TAX107	AA	AR	5	16	Fund Unfunded Deputy Director Position.	The Deputy Director position (#104171) has been vacant for several years, and funding and filling the position is critical to DOTAX operation.							
TAX107	AA	AR	6	17	Establish Position in the Office of the Director.	To assist the Director of Taxation on tax legal matters, a Tax Analyst position is needed in the Office of the Director.							
TAX100	CP	AR	11	18	Fund Newly Established Positions in the Oahu Field Audit Branch.	The two (2) auditor positions were established per Act 217, SLH 2022.							
TAX107	AA	AR	7	19	Fund Newly Established Positions for the Taxation Board of Review.	The five (5) positions were established per Act 218, SLH 2022. & Act 14, SLH 2021.							
TAX107	AA	AR	8	20	Establish Position on the Taxation Board of Review.	Taxation Board of Review will face heavy caseload and backlog, one (1) Law Clerk is needed to assist the Board in reviewing cases, preparing for hearings, and writing findings of facts and conclusions of law; this position will be in TAX107 AA, together with the 5 Board positions that have been established.							

Department of Taxation  
FY 2021 - FY 2023 Restrictions

Table 7

Fiscal Year	Prog ID	Sub-Org	MOF	Budgeted by Dept	Restriction	Difference Between Budgeted & Restricted	Percent Difference	Impact
2023	TAX100	CH	A	1,488,751	\$ 133,415	\$ 1,355,337	8.96%	The restrictions reduced the effectiveness of the programs.
2023	TAX100	CK	A	716,179	\$ 64,180	\$ 651,999	8.96%	
2023	TAX100	CM	A	1,399,652	\$ 125,430	\$ 1,274,222	8.96%	
2023	TAX100	CO	A	2,777,874	\$ 248,939	\$ 2,528,935	8.96%	
2023	TAX100	CP	A	2,500,425	\$ 224,076	\$ 2,276,349	8.96%	
2023	TAX100	EO	A	2,395,536	\$ 214,676	\$ 2,180,860	8.96%	
2023	TAX105	BA	A	3,216,809	\$ 296,589	\$ 2,920,220	9.22%	The restrictions reduced the effectiveness of the programs.
2023	TAX105	BB	A	366,636	\$ 33,804	\$ 332,832	9.22%	
2023	TAX105	BC	A	2,894,222	\$ 266,847	\$ 2,627,375	9.22%	
2023	TAX107	AA	A	6,176,647	\$ 461,920	\$ 5,714,727	7.48%	The restrictions reduced the effectiveness of the programs.
2023	TAX107	AC	A	2,539,585	\$ 189,923	\$ 2,349,663	7.48%	
2023	TAX107	AD	A	498,518	\$ 37,282	\$ 461,236	7.48%	
2022	TAX100	CH	A	1,416,256	\$ 36,342	\$ 1,379,914	2.57%	The restrictions reduced the effectiveness of the programs.
2022	TAX100	CK	A	699,422	\$ 111,462	\$ 587,960	15.94%	
2022	TAX100	CM	A	1,147,733	\$ 77,174	\$ 1,070,559	6.72%	
2022	TAX100	CO	A	2,751,776	\$ 166,926	\$ 2,584,850	6.07%	
2022	TAX100	CP	A	2,039,598	\$ 132,552	\$ 1,907,046	6.50%	
2022	TAX100	EO	A	2,153,068	\$ 76,051	\$ 2,077,017	3.53%	
2022	TAX105	BA	A	2,931,825	\$ 227,225	\$ 2,704,600	7.75%	The restrictions reduced the effectiveness of the programs.
2022	TAX105	BB	A	345,918	\$ -	\$ 345,918	0.00%	
2022	TAX105	BC	A	2,847,244	\$ 133,094	\$ 2,714,150	4.67%	
2022	TAX107	AA	A	6,356,867	\$ 327,120	\$ 6,029,747	5.15%	The restrictions reduced the effectiveness of the programs.
2022	TAX107	AC	A	1,940,642	\$ 186,436	\$ 1,754,206	9.61%	
2022	TAX107	AD	A	432,279	\$ -	\$ 432,279	0.00%	
2021	TAX100	CH	A	1,304,975	\$ 135,799	\$ 1,169,176	10.41%	The restrictions reduced the effectiveness of the programs.
2021	TAX100	CK	A	646,124	\$ 67,237	\$ 578,887	10.41%	
2021	TAX100	CM	A	1,104,320	\$ 114,918	\$ 989,402	10.41%	
2021	TAX100	CO	A	2,693,607	\$ 280,304	\$ 2,413,303	10.41%	
2021	TAX100	CP	A	1,884,640	\$ 196,121	\$ 1,688,519	10.41%	
2021	TAX100	EO	A	1,972,590	\$ 205,273	\$ 1,767,317	10.41%	
2021	TAX105	BA	A	2,997,065	\$ 224,002	\$ 2,773,063	7.47%	The restrictions reduced the effectiveness of the programs.
2021	TAX105	BB	A	316,499	\$ -	\$ 316,499	0.00%	
2021	TAX105	BC	A	2,622,371	\$ 195,998	\$ 2,426,373	7.47%	
2021	TAX107	AA	A	12,167,687	\$ 1,031,325	\$ 11,136,362	8.48%	The restrictions reduced the effectiveness of the programs.
2021	TAX107	AC	A	1,687,286	\$ 137,503	\$ 1,549,783	8.15%	
2021	TAX107	AD	A	487,587	\$ -	\$ 487,587	0.00%	

Department of Taxation  
Emergency Appropriation Requests

Table 8

<u>Prog ID</u>	<u>Description of Request</u>	<u>Explanation of Request</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>
NONE						

Department of Taxation  
Expenditures Exceeding Appropriation Ceilings in FY22 and FY23

Table 9

<u>Prog ID</u>	<u>MOF</u>	<u>Date</u>	<u>Appropriation</u>	<u>Amount Exceeding Appropriation</u>	<u>Percent Exceeded</u>	<u>Reason for Exceeding Ceiling</u>	<u>Legal Authority</u>	<u>Recurring (Y/N)</u>	<u>GF Impact (Y/N)</u>
			NONE						

Department of Taxation  
 Intradepartmental Transfers in FY22 and FY23

Table 10

<u>Actual or Anticipated Date of Transfer</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>From Prog ID</u>	<u>Percent of Program ID Appropriation Transferred From</u>	<u>To Prog ID</u>	<u>Percent of Receiving Program ID Appropriation</u>	<u>Reason for Transfer</u>	<u>Recurring (Y/N)</u>
NONE										







Department of Taxation  
Vacancy Report as of November 30, 2022

Table 11

TAX105	BA	9/16/2022	3/31/2023	1557	Cashier II	N	SR12	03	P	1.00	A	\$ 39,540.00	\$ 39,540.00	Y	N	N/A	101
TAX105	BA	11/1/2022	3/31/2023	26777	Cashier II	N	SR12	03	P	1.00	A	\$ 38,004.00	\$ 39,420.00	Y	N	N/A	102
TAX100	EO	10/3/2022	3/31/2023	39134	Tax Clerk	N	SR12	03	P	1.00	A	\$ 38,004.00	\$ 39,420.00	Y	N	N/A	103
TAX105	BC	11/1/2022	3/31/2023	40969	Tax Clerk	N	SR12	03	P	1.00	A	\$ 38,004.00	\$ 39,420.00	Y	N	N/A	104
TAX105	BA	7/1/2022	3/31/2023	28861	Tax Clerk	N	SR12	03	P	1.00	A	\$ 38,004.00	\$ 38,004.00	Y	N	N/A	105
TAX105	BC	11/1/2021	3/31/2023	118240	Tax Clerk	N	SR12	03	P	1.00	A	\$ 38,004.00	\$ 38,004.00	Y	N	N/A	106
TAX105	BC	6/30/2022	3/31/2023	118242	Tax Clerk	N	SR12	03	P	1.00	A	\$ 38,004.00	\$ 38,004.00	Y	N	N/A	107
TAX105	BC	12/2/2021	3/31/2023	118239	Tax Clerk	N	SR12	03	P	1.00	A	\$ 36,732.00	\$ 36,732.00	Y	N	N/A	108
TAX105	BA	5/16/2019	3/31/2023	27115	Cashier II	N	SR12	03	P	1.00	A	\$ 41,100.00	\$ 35,340.00	Y	N	N/A	109
TAX105	BC	6/29/2020	3/31/2023	121084	Tax Clerk	N	SR12	03	T	1.00	A	\$ 38,004.00	\$ 35,340.00	Y	N	N/A	110
TAX100	EO	6/3/2019	3/31/2023	1450	Tax Clerk	N	SR12	03	P	1.00	A	\$ -	\$ 35,339.20	N	N	N/A	111
TAX105	BA	11/16/2022	3/31/2023	11589	Office Assistant IV	N	SR10	03	P	1.00	A	\$ 50,016.00	\$ 51,876.00	Y	N	N/A	112
TAX105	BA	6/16/2022	3/31/2023	26279	Office Assistant IV	N	SR10	03	P	1.00	A	\$ 41,100.00	\$ 41,100.00	Y	N	N/A	113
TAX105	BA	11/16/2022	3/31/2023	28866	Office Assistant IV	N	SR10	03	P	1.00	A	\$ 35,196.00	\$ 36,504.00	Y	N	N/A	114
TAX105	BA	7/1/2020	3/31/2023	46128	Office Assistant III	N	SR08	03	P	1.00	A	\$ 33,120.00	\$ 34,020.00	Y	N	N/A	115
TAX105	BA	5/7/2022	3/31/2023	38687	Office Assistant III	N	SR08	03	P	1.00	A	\$ 33,120.00	\$ 33,120.00	Y	N	N/A	116
TAX105	BA	8/12/2021	3/31/2023	38688	Office Assistant III	N	SR08	03	P	1.00	A	\$ 33,120.00	\$ 33,120.00	Y	N	N/A	117
TAX105	BA	6/16/2022	3/31/2023	38692	Office Assistant III	N	SR08	03	P	1.00	A	\$ 33,120.00	\$ 33,120.00	Y	N	N/A	118
TAX105	BA	6/16/2022	3/31/2023	46134	Office Assistant III	N	SR08	03	P	1.00	A	\$ 33,120.00	\$ 33,120.00	Y	N	N/A	119
TAX105	BA	12/3/2021	3/31/2023	118444	Office Assistant III	N	SR08	03	P	1.00	A	\$ 33,120.00	\$ 33,120.00	Y	N	N/A	120
TAX100	EO	4/9/2020	3/31/2023	16056	Office Assistant III	N	SR08	03	P	1.00	A	\$ -	\$ 30,243.20	N	N	N/A	121
TAX105	BA	5/27/2020	3/31/2023	118445	Office Assistant III	N	SR08	03	P	1.00	A	\$ -	\$ 30,243.20	N	N	N/A	122
TAX105	BA	3/16/2020	3/31/2023	1492	Office Assistant III	N	SR08	03	P	1.00	A	\$ -	\$ 30,240.00	N	N	N/A	123
TAX105	BA	1/31/2020	3/31/2023	1566	Office Assistant III	N	SR08	03	P	1.00	A	\$ -	\$ 30,240.00	N	N	N/A	124

Department of Taxation

Table 12

Positions Filled and/or Established by Acts other than the State Budget as of November 30, 2022

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Date Established</u>	<u>Legal Authority</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>T/P</u>	<u>MOF</u>	<u>FTE</u>	<u>Annual Salary</u>	<u>Filled (Y/N)</u>	<u>Occupied by 89 Day Hire (Y/N)</u>
TAX100	CP	7/1/2022	ACT217	124376	Auditor V	N	SR24	13	P	A	1	76,667	N	N
TAX100	CP	7/1/2022	ACT217	124377	Auditor V	N	SR24	13	P	A	1	76,667	N	N
TAX107	AA	7/1/2022	ACT218	124431	Board Chair	Y	SRNA	00	P	A	1	131,590	N	N
TAX107	AA	7/1/2022	ACT218	124432	Board Member	Y	SRNA	00	P	A	1	118,432	N	N
TAX107	AA	7/1/2022	ACT218	124433	Board Member	Y	SRNA	00	P	A	1	118,432	N	N
TAX107	AA	7/1/2022	ACT218	124434	Secretary IV	N	SR18	63	P	A	1	75,044	N	N
TAX107	AA	7/1/2022	ACT218	124435	Legal Secretary	N	SR18	63	P	A	1	75,044	N	N

NOTE: Secretary positions are not based on the BU 63 salary. (518,542 - Board Chair - Board Member and divided by 2). The BU salary is \$60,660. The budgeted amount would be \$75,044.

Department of Taxation  
Overtime Expenditure Summary

Table 13

Prog ID	Sub-Org	Program Title	MOF	FY22 (actual)			FY23 (estimated)			FY24 (budgeted)		
				Base Salary	Overtime	Overtime	Base Salary	Overtime	Overtime	Base Salary	Overtime	Overtime
				\$\$\$\$	\$\$\$\$	Percent	\$\$\$\$	\$\$\$\$	Percent	\$\$\$\$	\$\$\$\$	Percent
TAX100	CH	COMPLIANCE DIVISION - HAWAII	A	\$ 1,344,927	\$ 589	0.0%	\$ 1,488,834		0.0%	\$ 1,557,264		0.0%
TAX100	CK	COMPLIANCE DIVISION - KAUAI	A	\$ 447,515	\$ 1,091	0.2%	\$ 698,922		0.0%	\$ 722,136		0.0%
TAX100	CM	COMPLIANCE DIVISION - MAUI	A	\$ 970,096	\$ 7,797	0.8%	\$ 1,399,504		0.0%	\$ 1,420,044		0.0%
TAX100	CO	COMPLIANCE ADMIN/OFFICE AUDIT	A	\$ 1,507,051	\$ 159	0.0%	\$ 1,814,390		0.0%	\$ 2,012,328		0.0%
TAX100	CP	FIELD AUDIT/CRIMINAL INVESTIGATION	A	\$ 1,734,853	\$ 115	0.0%	\$ 2,419,712		0.0%	\$ 2,520,732		0.0%
TAX100	EO	COLLECTIONS	A	\$ 1,878,968	\$ 306	0.0%	\$ 2,395,660		0.0%	\$ -		0.0%
TAX103	EO	COLLECTIONS	A	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ 2,283,394		0.0%
TAX105	BA	DOCUMENT PROCESSING BRANCH	A	\$ 2,039,315	\$ 239	0.0%	\$ 2,830,080		0.0%	\$ 2,741,712		0.0%
TAX105	BB	REVENUE ACCOUNTING	A	\$ 328,345	\$ -	0.0%	\$ 366,432		0.0%	\$ 393,876		0.0%
TAX105	BC	TAXPAYER SERVICES	A	\$ 2,688,332	\$ 829	0.0%	\$ 2,894,176		0.0%	\$ 3,019,896		0.0%
TAX107	AA	DIRECTOR'S OFFICE/ADMIN SVCS/RULES/QUALITY CONTROL	A	\$ 3,032,435	\$ 857	0.0%	\$ 3,038,380		0.0%	\$ 3,537,087		0.0%
TAX107	AC	INFORMATION TECHNOLOGY SERVICES OFFICE (ITSO)	A	\$ 1,266,612	\$ 6,032	0.5%	\$ 2,483,604	\$ 70,000	2.8%	\$ 2,793,450	\$ 70,000	2.5%
TAX107	AD	TAX RESEARCH & PLANNING OFFICE	A	\$ 459,456	\$ -	0.0%	\$ 498,228		0.0%	\$ 520,956		0.0%
TAX107	AA	SPECIAL ENFORCEMENT SECTION	B	\$ 505,998	\$ -	0.0%	\$ 768,610		0.0%	\$ 791,268		0.0%
		TOTALS		\$ 18,203,904	\$ 18,013	0.1%	\$ 23,096,532	\$ 70,000	0.3%	\$ 24,314,143	\$ 70,000	0.3%
		The plan for FY23 and FY24 is to have ITSO staff monitor the TSM system and support unforeseen problems (emergency) instead of vendors.										

Department of Taxation  
Active Contracts as of December 1, 2022

Table 14

Prog ID	MOF	Amount	Frequency (M/A/O)	Max Value	Outstanding Balance	Term of Contract			Entity	Contract Description	Explanation of How Contract is Monitored	POS Y/N	Category E/L/P/C/G/S/*
						Date Executed	From	To					
TAX 107	C,A,V	\$ 63,398,877.00	O	\$ 63,398,877.00	\$ -	7/15/2015	7/15/2015	7/15/2025	FAST Enterprises	Tax System Modernization (TSM) Project. Goods & services to implement an integrated tax system for DOTAX.	Verified with our Tax System Modernization (TSM) team for services rendered.	N	S
TAX 107	A	\$ 1,366,903.00	M	\$ 1,761,887.00	\$ 394,984.00	8/1/2020	8/1/2020	7/31/2023	Information Capture Solutions, LLC	Annual Maintenance & Support for Software and Scanner for DoTAX.	Reviewed by IT Office.	N	S
TAX 107	A	\$ 326,701.00	M	\$ 483,769.00	\$ 157,068.00	7/1/2021	7/1/2021	6/30/2023	Information Capture Solutions, LLC	Professional services for DOTAX.	Reviewed by IT Office.	N	S
TAX 107	B	\$ 67,389.00	M	\$ 101,088.00	\$ 33,699.00	9/1/2020	9/1/2020	8/31/2023	Meyercord Revenue	To provide heat applied cigarette tax stamps.	The invoices are verified by the Taxpayer Services and Processing Section.	N	G
Tax 100	A	\$ -	M	\$ 37,628.00	\$ 37,628.00	11/22/2022	11/22/2022	11/21/2023	Fileminders of Hawaii, LLC	To provide shred services for all islands.	Admin Svcs Office monitors activity and reviews invoice.	N	S
TAX 100	A								Thomson Reuters - West	Annual Subscription for Clear Proflex for Collections and SES Section.	Annual Subscription for Clear Proflex for Collections and SES Section.	N	S
TAX 107	B	\$ 23,392.00	M	\$ 70,392.00	\$ 47,000.00	9/1/2022	9/1/2022	8/31/2023				N	S
TAX 107	A	\$ 24,897.00	M	\$70,718 per annum	\$ 45,821.00	5/1/2019	4th year of lease: 5/1/2022 - 4/30/2023		Xerox (Fleet)	Multi-function copy machines on lease for DOTAX offices. 60 month lease, of which \$70,718 is budgeted for each fiscal year.	Admin Svcs Office monitors activity and reviews invoice.	N	S
TAX 107	B	\$ 2,155.00	M	\$3,600 per annum	\$ 1,445.00	3/1/2021	2nd year of lease: 3/1/2022 - 2/28/2023		Xerox (SES)	One multi-function device with scanning and fax capabilities for the Special Enforcement Section (SES) per SPO Price List Contract . 60 month lease, billed per usage. Max Value is an estimated cost for the fiscal year.	Admin Svcs Office monitors activity and reviews invoice.	N	S
TAX 107	A	\$ 2,845.00	M	\$37,070 per annum	\$ 34,225.00	10/1/2019	4th year of lease: 10/1/2022 - 9/30/2023		Ricoh	High volume printing machine on lease for DOTAX's printshop. 60 month lease, billed per usage. Max Value is an estimated cost for the fiscal year.	Admin Svcs Office monitors activity and reviews invoice.	N	S
TAX 100	A			\$10,089 per annum		Ongoing; billed monthly	7/1/2022	12/1/2022	Alert Alarm	Security/Alarm services for DOTAX offices. Alert Alarm bills each section separately. Max Value is an estimated cost for the fiscal year.	Admin Svcs Office monitors activity and reviews invoice.	N	S
TAX 105	A	\$ 4,945.00	M		\$ 5,144.00							N	S
TAX 100	A			\$40,348 per annum		Ongoing; billed quarterly	7/1/2022	12/1/2022	Pitney Bowes	Mailing/postage equipment on lease for DOTAX. Max Value is an estimated cost for the fiscal year.	Admin Svcs Office monitors activity and reviews invoice.	N	S
TAX 105	A	\$ 11,912.00	O		\$ 28,436.00							N	S
TAX 107	A	\$ 192,623.00	A	\$ 192,623.00	\$ -	6/1/2022	6/1/2022	5/31/2023	Regional Economic Models, Inc.	Tax PI software model that is customized for the macroeconomic conditions of the State of Hawaii, for use by the Tax Research & Planning Section.	Admin Svcs Office pays subscription/annual maintenance invoice submitted by the Tax Research & Planning Section.	N	G
TAX 107	V	\$ 126,678.00	M	\$ 176,263.00	\$ 49,585.00	12/9/2021	12/9/2021	12/31/2022	American Guard Services, Inc.	Security monitoring services for neighbor islands (Hawaii, Maui & Kauai).	Admin Svcs Office monitors activity and reviews invoice.	N	S
TAX 107	A	\$ 13,194.00	A	\$ 41,003.00	\$ 27,809.00	12/20/2021	12/20/2021	12/19/2023	EMSS, Inc.	Printing and distribution of Form 1099-G and 1099-INT.	Admin Svcs Office monitors activity and reviews invoice.	N	G

Department of Taxation  
Active Contracts as of December 1, 2022

Table 14

Prog ID	MOF	Amount	Frequency (M/A/O)	Max Value	Outstanding Balance	Date Executed	From	To	Entity	Contract Description	Explanation of How Contract is Monitored	POS Y/N	Category E/L/P/C/G/S/*
TAX 107	A	\$ 28,274.00	A	\$ 66,086.00	\$ 37,812.00	12/14/2021	12/14/2021	12/13/2023	EMSS, Inc.	Printing and distribution of loose tax forms.	Admin Svcs Office monitors activity and reviews invoice.	N	G
TAX 107	A	\$ 8,578.00	M	\$ 26,876.00	\$ 18,298.00	7/1/2022	7/1/2022	6/30/2023	CR Dispatch Service, Inc.	Armored guard services for Oahu tax office.	Admin Svcs Office monitors activity and reviews invoice.	N	S
TAX 107	A	\$ 15,626.00	M	\$ 56,387.00	\$ 40,761.00	7/8/2022	7/8/2022	6/30/2023	Loomis Armored US LLC	Armored guard services for neighbor islands (Hawaii, Maui & Kauai).	Admin Svcs Office monitors activity and reviews invoice.	N	S
TAX 100	A	\$ 123,612.00	M	\$239,558 per annum	\$ 115,946.00	7/1/2016	7/1/2016	On-going; terms 180 days notice to terminate	Department of the Attorney General (AG)	Collection of DOTAX's delinquent tax accounts.	Collections branch receives monthly reports from the Department of the Attorney General.	N	S
TAX 107	A	\$ 60,000.00	O	\$80,000 per annum	\$ 20,000.00	1/1/2022	1/1/2022	On-going; terms 60 days notice to terminate	Department of Labor & Industrial Relations (DLIR)	Shared security cost for the Keelikolani Building.	Admin Svcs Office monitors activity and review invoices.	N	S
TAX 100	A	\$ 77,500.00	O	\$ 155,000.00	\$ 77,500.00	10/1/2022	10/1/2022	3/31/2024	Kevin T. Wakayama	Prepare a tax book/manual and study of matters within the contractor's area of expertise.	Admin Svcs Office monitors activity and review invoices.	N	S

Department of Taxation  
 Capital Improvements Program (CIP) Requests

<u>Prog ID</u>	<u>Prog ID</u> <u>Priority</u>	<u>Dept- Wide</u> <u>Priority</u>	<u>Senate</u> <u>District</u>	<u>Rep.</u> <u>District</u>	<u>Project Title</u>	<u>MOF</u>	<u>FY24 \$\$\$</u>	<u>FY25 \$\$\$</u>
					NONE			



Department of Taxation  
CIP Lapses

Table 16

<u>Prog ID</u>	<u>Act/Year of Appropriation</u>	<u>Project Title</u>	<u>MOF</u>	<u>Lapse Amount</u> \$\$\$\$	<u>Reason</u>
		NONE			

Department of Taxation  
Program ID Sub-Organizations

Table 17

<u>Program ID</u>	<u>Sub-Org Code</u>	<u>Name</u>	<u>Objective</u>
TAX100	CH	COMPLIANCE DIVISION - HAWAII DISTRICT OFFICE	Be responsible for administrative matters of the district office; performs personnel and fiscal activities and housekeeping functions of the district office; provides assistance, information, and services on all taxes administered by the Department to taxpayers who walk-in, call-in, or correspond; conducts office and field examinations of all tax returns filed for general excise, income, miscellaneous, and transient accommodation taxes; prepares tax assessments by following the established rules; conducts/enforces collection of delinquent taxes with the appropriate collection procedures; represents the Department in appeals to the Board of Review for the district office; and provides administrative/clerical assistance to the Board of Review.
TAX100	CK	COMPLIANCE DIVISION - KAUAI DISTRICT OFFICE	Be responsible for administrative matters of the district office; performs personnel and fiscal activities and housekeeping functions of the district office; provides assistance, information, and services on all taxes administered by the Department to taxpayers who walk-in, call-in, or correspond; conducts office and field examinations of all tax returns filed for general excise, income, miscellaneous, and transient accommodation taxes; prepares tax assessments by following the established rules; conducts/enforces collection of delinquent taxes with the appropriate collection procedures; represents the Department in appeals to the Board of Review for the district office; and provides administrative/clerical assistance to the Board of Review.

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TAX100	CM	COMPLIANCE DIVISION - MAUI DISTRICT OFFICE	<p>Be responsible for administrative matters of the district office; performs personnel and fiscal activities and housekeeping functions of the district office; provides assistance, information, and services on all taxes administered by the Department to taxpayers who walk-in, call-in, or correspond; conducts office and field examinations of all tax returns filed for general excise, income, miscellaneous, and transient accommodation taxes; prepares tax assessments by following the established rules; conducts/enforces collection of delinquent taxes with the appropriate collection procedures; represents the Department in appeals to the Board of Review for the district office; and provides administrative/clerical assistance to the Board of Review.</p>
TAX100	CO	COMPLIANCE DIVISION - OAHU OFFICE AUDIT BRANCH	<p>Conducts office examinations of all tax returns filed for general excise, income, miscellaneous, and transient accommodation taxes on Oahu; represents the Department in appeals to the Board of Review for cases originating or transferred to the Oahu District; disseminates information through audit contact or taxpayer inquiry about the proper reporting methods or Departmental positions on tax and related matters; and reviews for approval/disapproval request for waiver for the withholding of income tax on the disposition of Hawaii real property by non-resident.</p>

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TAX100	CP	COMPLIANCE DIVISION - OAHU FIELD AUDIT BRANCH	Conducts field examinations of all types of tax returns and supporting records of larger taxpayers involving complex records and transactions; represents the Department in appeals to the Board of Review for cases originating or transferred to the Oahu District; disseminates information through audit contact or taxpayer inquiry about the proper reporting methods or Departmental positions on tax and related matters; be responsible for administrative matters of the branch; and performs personnel and fiscal activities and housekeeping functions for the branch.
TAX103	EO	Tax Collection Services Office	Conducts/enforces collection of delinquent taxes with the appropriate collection procedures; secures non-filed returns from taxpayers; conducts investigations to determine compliance with state tax laws; develops policies and procedures, renders guidelines and recommendations and provides coordination and assistance in enforcement activities; participates in resolving complex enforcement cases; and recommends goals and objective; and reviews objectives and accomplishments with operating personnel.
TAX105	BA	TAX SERVICES & PROCESSING (TSP) DIVISION - DOCUMENT PROCESSING BRANCH	Plans, directs and coordinates a comprehensive, centralized system of receiving and processing of tax information and payments (paper documents or electronic data) for the Department of Taxation; eestablishes initial control over monies and documents and provides a system for the rapid update of taxpayer accounts; provides a centralized statewide filing system for paper tax returns; coordinates and oversees electronic processing activities, updates, testing, and new initiatives; and provides support for ongoing EFT development and changes, and support for growth of DOTAX electronic processing capabilities.

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TAX105	BB	TSP DIVISION - REVENUE ACCOUNTING BRANCH	Be responsible for the maintenance of the revenue control and subsidiary ledgers, the control and accounting for all refunds, regardless of tax type, which are created by either overpayment or adjustment, the maintenance of the accounting system for protested payments and tax appeals, the preparation of the statement of tax operations and related reports, and processing and accounting activities statewide of all Miscellaneous taxes (except Estate & Transfer tax).
TAX105	BC	TSP DIVISION - TAXPAYER SERVICES BRANCH	Provides centralized services on all taxes, licenses, and permits administered by the Department to all customers who walk-in, call-in, correspond, or E-mail; and provides computer-based error correction activities in order to post returns to system.
TAX107	AA	OFFICE OF THE DIRECTOR	Under general direction of the Governor of the State of Hawaii, plans, directs and coordinates the various activities of the Department within the scope of laws and established policies and regulations.
TAX107	AA	RULES OFFICE	Serves as a resource for complex policy recommendations and complex taxpayer support.
TAX107	AA	ADMINISTRATIVE SERVICES OFFICE (ASO)	Provides general internal fiscal and personnel management assistance to the Director in exercising responsibilities as executive of the Department; and advises and provides staff services in the areas of program budgeting and planning, management of resources and facilities management.

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TAX107	AC	INFORMATION TECHNOLOGY SERVICES OFFICE (ITSO)	Advises the Director on all matters pertaining to computerization and automation, formulating associated policies and procedures; and enhances the Department of Taxation's program effectiveness and efficiency by automating major program functions deemed feasible.
TAX107	AD	TAX RESEARCH & PLANNING (TRP) OFFICE	Plans, organizes, directs and coordinates a tax research and planning program for the Department; and provides the Department with statistical information and projections as to tax yields, tax impacts, and economic conditions affecting taxes.



Department of Taxation  
American Rescue Plan Act Fund Initiatives

Table 19

<u>Prog ID</u>	<u>Amount Allotted</u>	<u>Budget for Personnel</u>	<u>Budget for OCE (Other Than Contracts)</u>	<u>Budget for Contracts</u>	<u>Dates of Initiative</u>		<u>Initiative Description</u>	<u>Appropriating Act or GOV</u>	<u>Is This A New Initiative Or An Enhancement To An Existing Initiative/Program</u>
					<u>From</u>	<u>To</u>			
		NONE							