

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259

HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 2489, H.D. 1, S.D. 1, Relating to Tax Administration.

BEFORE THE:

Senate Committee on Ways and Means

DATE: Wednesday, April 3, 2024

TIME: 10:30 a.m.

LOCATION: State Capitol, Room 211

Chair Dela Cruz, Vice-Chair Moriwaki, and Members of the Committee:

The Department of Taxation ("Department") strongly supports H.B. 2489, H.D. 1, S.D. 1, an Administration measure, and offers the following comments for your consideration.

H.B. 2489, H.D. 1, S.D. 1, would add senior software developers with the Department to the list of positions exempt from State civil service in section 76-16, Hawaii Revised Statutes. The bill has a placeholder effective date of July 1, 2050.

The Department notes that it has been extremely challenging to recruit and retain experienced software developers to perform complex system changes, as the experience and skillset needed to perform this type of work, and commensurate salary, exceed what is currently provided by civil service. By creating a category of exempt senior software developers, the Department will be able to attract and retain skilled employees, thereby lessening the impact caused by vacancies, creating a long-term career path for software developers to remain with the State, and decreasing the Department's reliance on contracted services.

If this measure is passed with a functional effective date, the Department requests that it take effect upon approval. Thank you for the opportunity to provide testimony in support of this measure.