

# DEPARTMENT OF TAXATION

## Department Summary

***Mission Statement***

To administer the tax laws of the State of Hawaii in a consistent, uniform and fair manner.

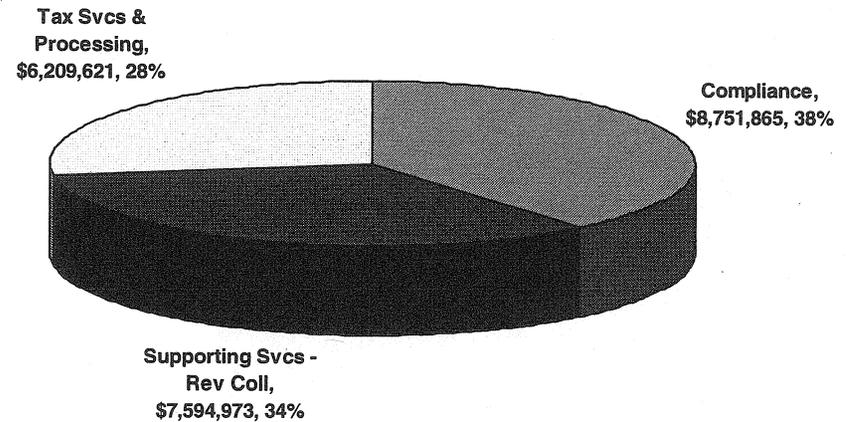
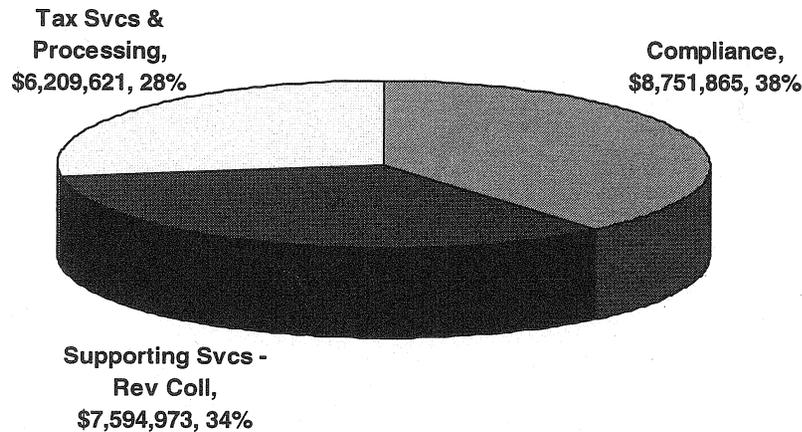
***Department Goals***

To provide one-stop customer service; to increase collection capabilities through efficient allocation of resources; to simplify taxpayer filings, provide a more user-friendly interface with the public, and expedite delinquent referrals; to automate tax filings, billings and collections; to expand capacity for research and revenue analysis; to permit more flexibility in accommodating tax law changes and initiatives to improve tax administration.

***Significant Measures of Effectiveness***

	<u>FY 2012</u>	<u>FY 2013</u>
1. Average call answer rate	55	55
2. Percent of tax returns audited resulting in adjustments	80	80
3. Average business days to deposit checks received from taxpayers	29	29

**FB 2011-2013 Operating Budget by Major Program Area**  
FY 2012 FY 2013



## DEPARTMENT OF TAXATION MAJOR FUNCTIONS

- Administers and enforces the tax laws of Hawaii and the collection of taxes and other payments.
- Coordinates a centralized system for receiving and processing of all tax returns, payments and documents.
- Provides one-stop customer service, assistance and information on all taxes administered by the department to customers who walk in, call-in, correspond or e-mail.
- Administers a comprehensive and uniform compliance program based on self-assessment and voluntary compliance.
- Conducts audits and investigations of all types of tax returns.
- Conducts and enforces collection of delinquent taxes by appropriate collection procedures.
- Plans, organizes and coordinates a tax research and tax planning program.
- Provides administrative and research support to the Council on Revenues which prepares revenue estimates for the State on a quarterly basis.

## MAJOR PROGRAM AREAS

The Department of Taxation has a program in the following major program area:

### **Government-Wide Support**

TAX 100	Compliance
TAX 105	Tax Services and Processing
TAX 107	Supporting Services – Revenue Collections

**Department of Taxation  
(Operating Budget)**

		Appropriation		
		FY 2011	FY 2012	FY 2013
<b>Funding Sources:</b>	Positions	364.00	364.00	364.00
General Funds	\$	19,755,195	21,498,584	21,498,584
		0.00	0.00	0.00
Special Funds		1,047,000	1,057,875	1,057,875
		364.00	364.00	364.00
<b>Total Requirements</b>		<b>20,802,195</b>	<b>22,556,459</b>	<b>22,556,459</b>

**Major Adjustments in the Executive Budget Request:** (general funds unless noted)

1. Transfers 1.00 position and \$31,212 from TAX 105 (Tax Services and Processing) to the Information Technology Service Office in TAX 107 (Supporting Services - Revenue Collections).
2. Restores funding for the Deputy Director and Private Secretary positions.

**Department of Taxation  
(Capital Improvements Budget)**

<b>Funding Sources:</b>	<u><b>FY 2012</b></u>	<u><b>FY 2013</b></u>
General Obligation Bonds	333,000	0
Federal Funds	0	0
<b>Total Requirements</b>	<u><u>333,000</u></u>	<u><u>0</u></u>

**Highlights of the Executive CIP Budget Request:** (general obligation bonds unless noted)

1. Provides \$333,000 in FY 12 for air conditioning (A/C) upgrades for the department's computer room which houses multiple computer equipment including the ITIMS Imaging System.