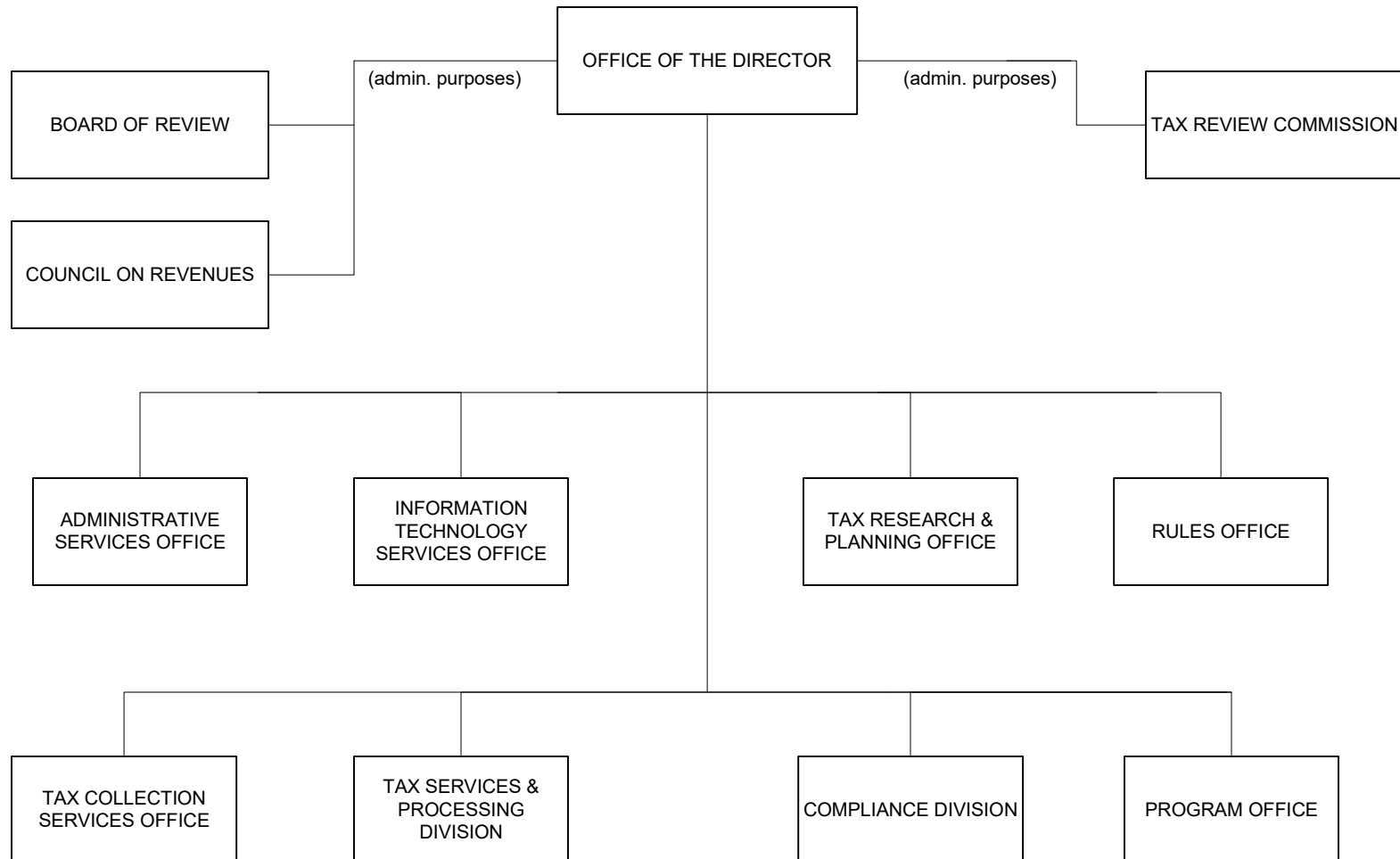




Department of Taxation

**STATE OF HAWAII
DEPARTMENT OF TAXATION
ORGANIZATION CHART**



DEPARTMENT OF TAXATION

Department Summary

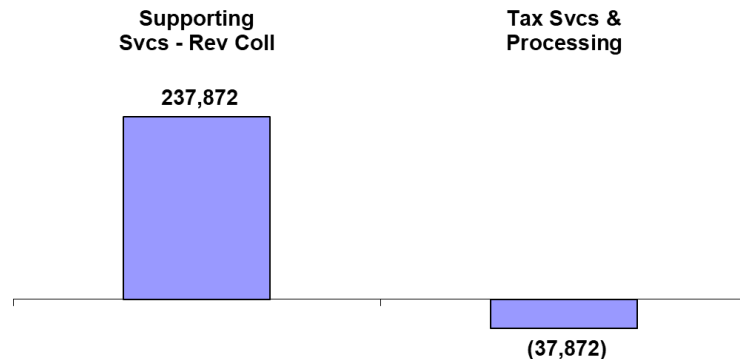
Mission Statement

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

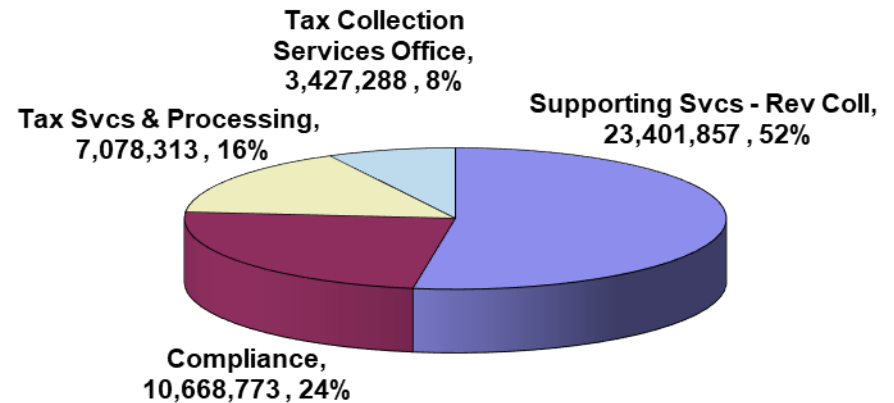
Department Goals

To provide complete 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; and to permit more flexibility in accommodating tax law changes and initiatives to improve tax administration.

FY 2027 Supplemental Operating Budget Adjustments by Major Program



FY 2027 Supplemental Operating Budget



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 complete 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 programs in the following major program area:

Government-Wide Support

TAX 100	Compliance
TAX 103	Tax Collection Services Office
TAX 105	Tax Services and Processing
TAX 107	Supporting Services – Revenue Collection

**Department of Taxation
Operating Budget**

			Act 250/2025 FY 2026	Act 250/2025 FY 2027	FY 2026 Adjustments	FY 2027 Adjustments	Total FY 2026	Total FY 2027
Funding Sources:	Positions	Perm	407.00	408.00	-	-	407.00	408.00
		Temp	8.00	8.00	-	-	8.00	8.00
General Funds		\$	39,610,465	40,746,605	(200,000)	200,000	39,410,465	40,946,605
		Perm	-	-	-	-	-	-
		Temp	15.00	15.00	-	-	15.00	15.00
Special Funds		\$	3,629,626	3,629,626	-	-	3,629,626	3,629,626
		Perm	407.00	408.00	-	-	407.00	408.00
		Temp	23.00	23.00	-	-	23.00	23.00
Total Requirements		\$	43,240,091	44,376,231	(200,000)	200,000	43,040,091	44,576,231

Highlights: (general funds and FY 27 unless otherwise noted)

1. Reduces \$200,000 in FY 26 and adds \$200,000 in FY 27 for the Supporting Services - Revenue Collection Program for the Tax Review Commission.

Department of Taxation
Capital Improvements Budget

	Act 250/2025 FY 2026	Act 250/2025 FY 2027	FY 2026 Adjustments	FY 2027 Adjustments	Total FY 2026	Total FY 2027
Funding Sources:						
General Funds					-	-
General Obligation Bonds					-	-
Total Requirements	-	-	-	-	-	-

Highlights: (general obligation bonds and FY 27 unless otherwise noted)
None.



Operating Budget Details

EXECUTIVE SUPPLEMENTAL BUDGET

REPORT: S61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

**TAX-
11**
GOVERNMENT-WIDE SUPPORT

(IN DOLLARS)

PROGRAM COSTS	FY 2026			FY 2027			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	407.00*	*	407.00*	408.00*	*	408.00*	*	*	
	23.00**	**	23.00**	23.00**	**	23.00**	**	**	
PERSONAL SERVICES	28,842,493		28,842,493	29,281,623		29,281,623	58,124,116	58,124,116	
OTH CURRENT EXPENSES	14,397,598	-200,000	14,197,598	14,344,608	200,000	14,544,608	28,742,206	28,742,206	
EQUIPMENT				750,000		750,000	750,000	750,000	
TOTAL OPERATING COST	43,240,091	-200,000	43,040,091	44,376,231	200,000	44,576,231	87,616,322	87,616,322	0.00
BY MEANS OF FINANCING									
	407.00*	*	407.00*	408.00*	*	408.00*	*	*	
	8.00**	**	8.00**	8.00**	**	8.00**	**	**	
GENERAL FUND	39,610,465	-200,000	39,410,465	40,746,605	200,000	40,946,605	80,357,070	80,357,070	
	*	*	*	*	*	*	*	*	
	15.00**	**	15.00**	15.00**	**	15.00**	**	**	
SPECIAL FUND	3,629,626		3,629,626	3,629,626		3,629,626	7,259,252	7,259,252	
TOTAL PERM POSITIONS	407.00*	*	407.00*	408.00*	*	408.00*	*	*	
TOTAL TEMP POSITIONS	23.00**	**	23.00**	23.00**	**	23.00**	**	**	
TOTAL PROGRAM COST	43,240,091	-200,000	43,040,091	44,376,231	200,000	44,576,231	87,616,322	87,616,322	0.00

EXECUTIVE SUPPLEMENTAL BUDGET

REPORT: S61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

**TAX-
1102
FISCAL MANAGEMENT**

(IN DOLLARS)

PROGRAM COSTS	FY 2026			FY 2027			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	407.00*	*	407.00*	408.00*	*	408.00*	*	*	
	23.00**	**	23.00**	23.00**	**	23.00**	**	**	
PERSONAL SERVICES	28,842,493		28,842,493	29,281,623		29,281,623	58,124,116	58,124,116	
OTH CURRENT EXPENSES	14,397,598	-200,000	14,197,598	14,344,608	200,000	14,544,608	28,742,206	28,742,206	
EQUIPMENT				750,000		750,000	750,000	750,000	
TOTAL OPERATING COST	43,240,091	-200,000	43,040,091	44,376,231	200,000	44,576,231	87,616,322	87,616,322	0.00
BY MEANS OF FINANCING									
	407.00*	*	407.00*	408.00*	*	408.00*	*	*	
	8.00**	**	8.00**	8.00**	**	8.00**	**	**	
GENERAL FUND	39,610,465	-200,000	39,410,465	40,746,605	200,000	40,946,605	80,357,070	80,357,070	
	*	*	*	*	*	*	*	*	
	15.00**	**	15.00**	15.00**	**	15.00**	**	**	
SPECIAL FUND	3,629,626		3,629,626	3,629,626		3,629,626	7,259,252	7,259,252	
TOTAL PERM POSITIONS	407.00*	*	407.00*	408.00*	*	408.00*	*	*	
TOTAL TEMP POSITIONS	23.00**	**	23.00**	23.00**	**	23.00**	**	**	
TOTAL PROGRAM COST	43,240,091	-200,000	43,040,091	44,376,231	200,000	44,576,231	87,616,322	87,616,322	0.00

EXECUTIVE SUPPLEMENTAL BUDGET

REPORT: S61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

TAX-
110201
REVENUE COLLECTION

(IN DOLLARS)

PROGRAM COSTS	FY 2026			FY 2027			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	407.00*	*	407.00*	408.00*	*	408.00*	*	*	
	23.00**	**	23.00**	23.00**	**	23.00**	**	**	
PERSONAL SERVICES	28,842,493		28,842,493	29,281,623		29,281,623	58,124,116	58,124,116	
OTH CURRENT EXPENSES	14,397,598	-200,000	14,197,598	14,344,608	200,000	14,544,608	28,742,206	28,742,206	
EQUIPMENT				750,000		750,000	750,000	750,000	
TOTAL OPERATING COST	43,240,091	-200,000	43,040,091	44,376,231	200,000	44,576,231	87,616,322	87,616,322	0.00
BY MEANS OF FINANCING									
	407.00*	*	407.00*	408.00*	*	408.00*	*	*	
	8.00**	**	8.00**	8.00**	**	8.00**	**	**	
GENERAL FUND	39,610,465	-200,000	39,410,465	40,746,605	200,000	40,946,605	80,357,070	80,357,070	
	*	*	*	*	*	*	*	*	
	15.00**	**	15.00**	15.00**	**	15.00**	**	**	
SPECIAL FUND	3,629,626		3,629,626	3,629,626		3,629,626	7,259,252	7,259,252	
TOTAL PERM POSITIONS	407.00*	*	407.00*	408.00*	*	408.00*	*	*	
TOTAL TEMP POSITIONS	23.00**	**	23.00**	23.00**	**	23.00**	**	**	
TOTAL PROGRAM COST	43,240,091	-200,000	43,040,091	44,376,231	200,000	44,576,231	87,616,322	87,616,322	0.00

EXECUTIVE SUPPLEMENTAL BUDGET

REPORT: S61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

TAX-100
11020101
COMPLIANCE

(IN DOLLARS)

PROGRAM COSTS	FY 2026			FY 2027			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	149.00*	*	149.00*	149.00*	*	149.00*	*	*	
	**	**	**	**	**	**	**	**	**
PERSONAL SERVICES	9,833,199		9,833,199	9,888,249		9,888,249	19,721,448	19,721,448	
OTH CURRENT EXPENSES	780,524		780,524	780,524		780,524	1,561,048	1,561,048	
TOTAL OPERATING COST	10,613,723		10,613,723	10,668,773		10,668,773	21,282,496	21,282,496	0.00
BY MEANS OF FINANCING	149.00*	*	149.00*	149.00*	*	149.00*	*	*	
	**	**	**	**	**	**	**	**	**
GENERAL FUND	10,613,723		10,613,723	10,668,773		10,668,773	21,282,496	21,282,496	
TOTAL PERM POSITIONS	149.00*	*	149.00*	149.00*	*	149.00*	*	*	
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	10,613,723		10,613,723	10,668,773		10,668,773	21,282,496	21,282,496	0.00

EXECUTIVE SUPPLEMENTAL BUDGET

REPORT: S61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

TAX-103
11020102
TAX COLLECTION SERVICES OFFICE

(IN DOLLARS)

PROGRAM COSTS	FY 2026			FY 2027			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	43.00*	*	43.00*	43.00*	*	43.00*	*	*	
	1.00**	**	1.00**	1.00**	**	1.00**	**	**	
PERSONAL SERVICES	2,559,188		2,559,188	2,559,188		2,559,188	5,118,376	5,118,376	
OTH CURRENT EXPENSES	868,100		868,100	868,100		868,100	1,736,200	1,736,200	
TOTAL OPERATING COST	3,427,288		3,427,288	3,427,288		3,427,288	6,854,576	6,854,576	0.00
BY MEANS OF FINANCING	43.00*	*	43.00*	43.00*	*	43.00*	*	*	
	1.00**	**	1.00**	1.00**	**	1.00**	**	**	
GENERAL FUND	3,427,288		3,427,288	3,427,288		3,427,288	6,854,576	6,854,576	
TOTAL PERM POSITIONS	43.00*	*	43.00*	43.00*	*	43.00*	*	*	
TOTAL TEMP POSITIONS	1.00**	**	1.00**	1.00**	**	1.00**	**	**	
TOTAL PROGRAM COST	3,427,288		3,427,288	3,427,288		3,427,288	6,854,576	6,854,576	0.00

EXECUTIVE SUPPLEMENTAL BUDGET

REPORT: S61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

TAX-105
11020103
TAX SERVICES AND PROCESSING

(IN DOLLARS)

PROGRAM COSTS	FY 2026			FY 2027			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	129.00*	*	129.00*	129.00*	-1.00*	128.00*	*	*	
	**	**	**	**	**	**	**	**	**
PERSONAL SERVICES	6,784,385		6,784,385	6,784,385	-37,872	6,746,513	13,568,770	13,530,898	
OTH CURRENT EXPENSES	331,800		331,800	331,800		331,800	663,600	663,600	
TOTAL OPERATING COST	7,116,185		7,116,185	7,116,185	-37,872	7,078,313	14,232,370	14,194,498	-0.27
BY MEANS OF FINANCING	129.00*	*	129.00*	129.00*	-1.00*	128.00*	*	*	
	**	**	**	**	**	**	**	**	**
GENERAL FUND	7,116,185		7,116,185	7,116,185	-37,872	7,078,313	14,232,370	14,194,498	
TOTAL PERM POSITIONS	129.00*	*	129.00*	129.00*	-1.00*	128.00*	*	*	
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	7,116,185		7,116,185	7,116,185	-37,872	7,078,313	14,232,370	14,194,498	-0.27

Narrative for Supplemental Budget Requests
FY 2027

Program ID: TAX 105

Program Structure Level: 11 02 01 03

Program Title: TAX SERVICES AND PROCESSING

A. Program Objective

To process all tax documents received in the most efficient and expeditious manner possible; maintain accurate accounting records for all tax programs; and promote voluntary taxpayer compliance through timely delivery of information, forms, and responses to questions and inquiries.

B. Description of Request

1. Reduces 1.00 permanent position and \$37,872 in general funds from the Document Processing Branch as a housekeeping adjustment to correct error in Act 250, SLH 2025.

C. Reasons for Request

1. Act 250, SLH 2025, incorrectly reduced 2.00 permanent and 1.00 temporary positions and funding in TAX 107/AC that were instead budgeted in TAX 105/BA and TAX 107/AA, resulting in negative position counts and salary amounts. The Department of Taxation is requesting corrective action by reducing and adding position counts and funding in the correct places. This housekeeping adjustment corresponds to Position No. 04134E in TAX 107/AC.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

EXECUTIVE SUPPLEMENTAL BUDGET

REPORT: S61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

TAX-107
11020104

(IN DOLLARS)

SUPPORTING SERVICES - REVENUE COLLECTION

PROGRAM COSTS	FY 2026			FY 2027			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	86.00*	*	86.00*	87.00*	1.00*	88.00*	*	*	
	22.00**	**	22.00**	22.00**	**	22.00**	**	**	**
PERSONAL SERVICES	9,665,721		9,665,721	10,049,801	37,872	10,087,673	19,715,522	19,753,394	
OTH CURRENT EXPENSES	12,417,174	-200,000	12,217,174	12,364,184	200,000	12,564,184	24,781,358	24,781,358	
EQUIPMENT				750,000		750,000	750,000	750,000	
TOTAL OPERATING COST	22,082,895	-200,000	21,882,895	23,163,985	237,872	23,401,857	45,246,880	45,284,752	0.08
BY MEANS OF FINANCING									
	86.00*	*	86.00*	87.00*	1.00*	88.00*	*	*	
	7.00**	**	7.00**	7.00**	**	7.00**	**	**	**
GENERAL FUND	18,453,269	-200,000	18,253,269	19,534,359	237,872	19,772,231	37,987,628	38,025,500	
	*	*	*	*	*	*	*	*	*
	15.00**	**	15.00**	15.00**	**	15.00**	**	**	**
SPECIAL FUND	3,629,626		3,629,626	3,629,626		3,629,626	7,259,252	7,259,252	
TOTAL PERM POSITIONS	86.00*	*	86.00*	87.00*	1.00*	88.00*	*	*	
TOTAL TEMP POSITIONS	22.00**	**	22.00**	22.00**	**	22.00**	**	**	**
TOTAL PROGRAM COST	22,082,895	-200,000	21,882,895	23,163,985	237,872	23,401,857	45,246,880	45,284,752	0.08

Narrative for Supplemental Budget Requests
FY 2027

Program ID: TAX 107

Program Structure Level: 11 02 01 04

Program Title: SUPPORTING SERVICES - REVENUE COLLECTION

A. Program Objective

To enhance the department's effectiveness and efficiency in implementing tax programs for formulating policies, allocating resources, and providing direction to operations, and improve the State's policy and decision-making process by providing timely and accurate tax data and interpretive information.

B. Description of Request

1. Adds 2.00 permanent positions and 1.00 temporary position and \$248,292 in general funds for the Information Technology Service Office (TAX 107/AC) as a housekeeping adjustment to correct an error in Act 250, SLH 2025 (Act 250).
2. Reduces 1.00 permanent position and 1.00 temporary position and \$210,420 in general funds for the Director's Office's (TAX 107/AA) Rules Office as a housekeeping adjustment to correct an error in Act 250.
3. Transfers out 6.00 positions and \$564,592 in general funds from TAX 107/AC to TAX 107/AA.
4. Transfers in 6.00 positions and \$564,592 in general funds from TAX 107/AC to TAX 107/AA.
5. Transfers out \$1,343,000 in general funds for Tax System Modernization (TSM) funding from TAX 107/AA to TAX 107/AC.
6. Transfers in \$1,343,000 in general funds for TSM funding from TAX 107/AA to TAX 107/AC.
7. Transfers out 1.00 permanent position (Position No. (PN) 3697) from Tax Research and Planning (TAX 107/AD) to TAX 107/AA.
8. Transfers in 1.00 permanent position (PN 3697) from TAX 107/AD to TAX 107/AA and moves \$64,428 from Table BJ1A to J1 to fund salary.
9. Transfers out \$33,904 in general funds from TAX 107/AC to TAX 107/AD to zero out negative payroll adjustment.
10. Transfers in \$33,904 in general funds from TAX 107/AC to TAX 107/AD to zero out negative payroll adjustment.

11. Reduces \$200,000 in general funds in FY 26 and add \$200,000 in general funds in FY 27 for the Tax Review Commission (TRC) in TAX 107/AA.

C. Reasons for Request

1 and 2. Act 250 incorrectly reduced 2.00 permanent and 1.00 temporary positions and funding in TAX 107/AC that were instead budgeted in TAX 105/BA and TAX 107/AA, resulting in negative position counts and salary amounts. The department is requesting corrective action by reducing and adding position counts and funding in the correct places. This request corresponds to PNs. 11647E and 11797E in TAX 107/AC.

3 and 4. In the FB 2025-27 Executive Budget Request, these 6.00 permanent positions were erroneously requested in TAX 107/AC. The department is requesting corrective action by transferring the 6.00 positions and funding to TAX 107/AA.

5 and 6. Act 250 incorrectly added funds for TSM to TAX 107/AA. The department is requesting corrective action by transferring the TSM funding from TAX 107/AA to TAX 107/AC.

7 and 8. With the Governor's approval, this position has been re-described from Office Assistant IV to Information Specialist IV and transferred from the Tax Research and Planning Office to the Director's Office. The unfunded position will be funded with a \$64,428 salary using other personal services in TAX 107/AA. The department is requesting to reflect these changes in the budget.

9 and 10. The transfer of \$33,904 from TAX 107/AC's other personal services will zero out the negative payroll adjustment in TAX 107/AD's other personal services.

11. Act 250 appropriates \$200,000 for the TRC in FY 26 to enter into contracts with consultants and engage employees as necessary to perform its duties; however, the TRC doesn't currently have any members, and it is anticipated that they will be appointed during the 2026 Legislative Session. It is not likely that the funds will be expended in FY 26, so the department is requesting to move this appropriation from FY 26 to FY 27.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

EXECUTIVE SUPPLEMENTAL BUDGET

REPORT: S61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

(IN DOLLARS)

DEPARTMENT OF TAXATION

PROGRAM COSTS	FY 2026			FY 2027			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	407.00*	*	407.00*	408.00*	*	408.00*	*	*	
	23.00**	**	23.00**	23.00**	**	23.00**	**	**	
PERSONAL SERVICES	28,842,493		28,842,493	29,281,623		29,281,623	58,124,116	58,124,116	
OTH CURRENT EXPENSES	14,397,598	-200,000	14,197,598	14,344,608	200,000	14,544,608	28,742,206	28,742,206	
EQUIPMENT				750,000		750,000	750,000	750,000	
TOTAL OPERATING COST	43,240,091	-200,000	43,040,091	44,376,231	200,000	44,576,231	87,616,322	87,616,322	0.00
BY MEANS OF FINANCING									
	407.00*	*	407.00*	408.00*	*	408.00*	*	*	
	8.00**	**	8.00**	8.00**	**	8.00**	**	**	
GENERAL FUND	39,610,465	-200,000	39,410,465	40,746,605	200,000	40,946,605	80,357,070	80,357,070	
	*	*	*	*	*	*	*	*	
	15.00**	**	15.00**	15.00**	**	15.00**	**	**	
SPECIAL FUND	3,629,626		3,629,626	3,629,626		3,629,626	7,259,252	7,259,252	
TOTAL PERM POSITIONS	407.00*	*	407.00*	408.00*	*	408.00*	*	*	
TOTAL TEMP POSITIONS	23.00**	**	23.00**	23.00**	**	23.00**	**	**	
TOTAL PROGRAM COST	43,240,091	-200,000	43,040,091	44,376,231	200,000	44,576,231	87,616,322	87,616,322	0.00