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DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2004-12

RE: Act 115, Session Laws of Hawaii 2004, Relating to the Integrated Tax Information Management Systems Acquisition by the Department of Taxation (Act 115)

On June 10, 2004, the Governor signed S.B. No. 2990, H.D. 1, an Administration sponsored measure, into law as Act 115. Act 115, extends the "sunset date" of the Integrated Tax Information Management Systems (ITIMS) Special Fund from July 1, 2004 to July 1, 2005.

Previously, Act 273, Session Laws of Hawaii (SLH) 1996, allowed the Department to enter into performance-based contracts to acquire automated tax systems, including computer hardware and software, for the administration of taxes (ITIMS project).

In 1999, Act 155, which is codified in section 231-3.2, Hawaii Revised Statutes (HRS), established a special fund to pay the contractor. The contractor is paid from the increased revenue collections and/or cost savings from the implementation of the ITIMS project.[1]

The Department of Taxation is currently in its fifth year of the ITIMS project. Major efforts during this past year have focused on three areas: (1) implementation of the income tax component of the ITIMS project; (2) implementation of one-stop customer service; and (3) development of the business tax component of the ITIMS project that will replace the present system for processing general excise and other business tax returns processing system and the complementary organizational changes.

Act 115, extends the "sunset date" of the ITIMS Special Fund from July 1, 2004 to July 1, 2005, to ensure that additional work on the ITIMS project can be completed and paid for.

This Act took effect on June 30, 2004.

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[1] The original project objective was to replace the Department's two major computer processing tax systems with a single integrated system over five years. The major organizational objective of ITIMS is to enable the Department to become a higher performing organization that provides top-notch service to the public and compliance activities that ensure that all taxpayers pay their fair share of taxes. The new technology and integrated system will remove the limitations and constraints of the old systems on the delivery of services and performances.

Current forms and other tax information are available at the Department's website at: www.state.hi.us/tax. If you know which tax form or publication you need, please call the Department's request line at 808-587-7572, or toll-free from the neighbor islands and continental U.S. at 1-800-222-7572. This service is available 24 hours a day, 7 days a week.



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Director of Taxation

HRS Sections Explained: HRS sections 231-3.2 and 237-31.