LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR

KURT KAWAFUCHI
DIRECTOR OF TAXATION

MARIE C. LADERTA
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510
FAX NO: (808) 587-1560

July 29, 2005

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2005-04

RE: Act 211, Session Laws of Hawaii 2005, Relating to the Public Procurement Code

On July 8, 2005, the Governor signed S.B. No. 1127, SD 1 into law as Act 211. Act 211 amends Hawaii's Public Procurement Code to streamline certain purchases by eliminating provisions that required offerors (i.e., vendors) awarded a contract incorporated or organized under the laws of the State or registered to do business in the State as a separate business or division capable of fully performing under the contract. It also removes small purchase procurement contracts (i.e., contracts for small purchases for goods, services, and construction of less than $25,000) from the list verified by the procuring officer to ensure compliance with laws governing entities conducting business in the State.

Section 1 of Act 211 amends HRS § 103D-310 by removing the provisions that required offerors awarded a contract be incorporated or organized under the laws of the State or registered to do business in the State as a separate business or division capable of fully performing under the contract. For small purchase contracts (less than $25,000), the procuring officer is no longer required to verify that vendors are in compliance with Chapters 237, 383, 386, 392, and 393, Hawaii Revised Statutes.

Thus, tax clearances for general excise taxes under chapter 237, HRS, are no longer required for small purchase contracts.

Act 211 took effect upon approval: July 8, 2005.

Current forms and other tax information are available at the Department's website at: www.state.gov/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.



KURT KAWAFUCHI
Director of Taxation

HRS Sections Explained: HRS section 103D-310