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July 29, 2005

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2005-09

RE: Act 167, Session Laws of Hawaii 2005, Relating to Tax Refunds (Act 167)

On June 28, 2005, the Governor signed into law S.B. No. 460, H.D. 1 as Act 167. Act 167 expressly establishes the procedure to appeal a tax refund claim that has been denied by the Department of Taxation (Department) for all taxes under title 14, Hawaii Revised Statutes (HRS) in a new section added to chapter 232, HRS. This Act also authorizes a taxpayer to file an appeal to the board of review or tax appeal court at any time after 180 days have passed since the date that the claim for refund was filed even if the Department has not denied the claim. This Act applies to refund claims that are filed with the Department after June 30, 2005.

Currently, the Department processes almost all claims for refund within 180 days of filing. For 2003, the Department processed 99.9% of refund claims that were filed by individuals within 180 days, with the average time for processing being 19.68 days. During this same period, the Department processed 99.3% of refund claims that were filed by corporations with the average processing time being 50.58 days. The Department will continue to strive to process such claims in a timely manner.

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.

KURT KAWAFUCHI
Director of Taxation

HRS Sections Explained: HRS Section 232-__.