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April 4, 2006

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2006-03

RE: Relief for Taxpayers Affected by Heavy Rains and Flooding From March 27, 2006 to April 9, 2006*, in the Counties of Hawaii, Kauai, Maui and the City and County of Honolulu

In light of the continued rainstorms and flooding that have caused substantial damage to homes and businesses in the counties of Hawaii, Kauai, Maui and the City and County of Honolulu, the Department of Taxation ("Department") recognizes that affected taxpayers may have difficulty meeting their tax obligations. The Department, therefore, is extending Announcement 2006-01 to heavy rains and flooding occurring between March 27, 2006 and April 9, 2006. Department of Taxation Announcement 2006-01 is amended to provide that tax returns taking advantage of the provisions of Announcement 2006-01 and this announcement should be marked "2006 Flood Relief", as discussed in Section I of Announcement 2006-01.

Additionally, taxpayers whose Hawaii employer's withholding tax returns are due April 15, 2006 (since April 15, 2006 falls on a weekend the due date is April 17, 2006), and who, as a result of the rains and flooding cannot meet these due dates, may file their returns and pay the tax due by May 15, 2006, without incurring any penalties or interest. No late filing penalty will be imposed for returns that are postmarked on or before May 15, 2006. This also applies to those who are required under 235-62, HRS, to file monthly and remit payments on a semi-weekly schedule (tax payments may be made when the return is filed).

*The April 9, 2006 date may be extended by future announcements.

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for KURT KAWAFUCHI
Director of Taxation