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March 7, 2007

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2007-01

RE: Extensions of Time for Filing for Annual General Excise Tax Returns for Fiscal Year Filers for the Short Year Ending on December 31, 2006

Due to the commencement of the new county surcharge tax on January 1, 2007, fiscal year filers are required pursuant to section 237-8.6(h) of the Hawaii Revised Statutes (HRS), to file a short period annual return for the period ending December 31, 2006. This short period annual return is due on April 20, 2007.

The Department of Taxation (Department) will liberally grant an initial three-month extension until July 20, 2007, and an additional three-month extension of time until October 22, 2007, for filing the Form G-49, "Annual Return and Reconciliation of General Excise/Use Tax Return" for fiscal filers filing the 2006 short year annual returns due to HRS section 237-8.6(h). A separate extension form must be submitted for each three-month extension period requested. However, the Department may not extend the time for filing these returns beyond October 22, 2007. Taxpayers should file Form G-39, "Application for Extension of Time to File the Annual Return & Reconciliation (Form G-49)", which is available on the Department's website, to request the extension.

Under Hawaii Administrative Rule section 18-237-33-01(c) (the "Rule"), the extension will only be granted if the taxpayer has filed all required monthly, quarterly, or semiannual tax returns (collectively, "Periodic Tax Returns"). In addition to obtain the extension, on or before April 20, 2007, tax payments must have been paid with the required monthly, quarterly, or semiannual tax returns for the short period ending December 31, 2006, or a payment must be made with the application of the extension in an amount equal to the estimated tax due for the short period ending December 31, 2006, which is no less than ninety per cent of the actual tax due, for the taxable year ending December 31, 2006.

For more information, please contact the Rules Office at 808-587-1577.

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Director of Taxation