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October 1, 2009

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2009-30

Re: Liquor License Conditional Letters

On July 31, 2009, the Department of Taxation (Department) issued Announcement No. 2009-20, which briefly discussed the operative provisions of Act 184, Session Laws of Hawaii 2009.

Since issuing Announcement No. 2009-20, there has been confusion in the industry relating to what the Department is willing to issue pursuant to Act 184. The purpose of this Announcement is to supplement Announcement No. 2009-20 by clarifying the Department's practice in response to Act 184.

Act 184, among other things, authorized the Department to issue a tax clearance to a liquor establishment for license issuances or renewals so long as the establishment enters into and complies with the terms of a payment plan for taxes owed.

To implement Act 184, the Department will issue conditional letters to liquor establishments who enter into and comply with the terms of a payment plan for taxes owed. Taxpayers will not receive a standard tax clearance.

The conditional letter issued by the Department is intended to satisfy Act 184's requirements to enable the liquor licensing authorities to issue or renew a liquor license.

KURT KAWAFUCHI
Director of Taxation