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August 15, 2012

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2012-10

RE: Act 185, Session Laws of Hawaii 2012, Relating to Taxation

On June 29, 2012, Governor Neil Abercrombie signed into law House Bill 1695, S.D. 1, as Act 185, Session Laws of Hawaii 2012. Act 185 applies to taxable years beginning after 2011.

Act 185 prevents the 20% penalty for erroneous claims for refund or credit under § 231-36.8, HRS, from being imposed where a 20% penalty has already been imposed for substantial understatements or misstatements under § 231-36.6, HRS, for the same tax underpayment.

For more information on this issue, please contact the Rules Office at 808-587-1577 or by e-mail at Tax.Rules.Office@hawaii.gov.

FREDERICK D. PABLO
Director of Taxation