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August 1, 2013

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2013-06

RE: Act 6, Session Laws of Hawaii 2013, Relating to Offers in Compromise

On April 5, 2013, Governor Neil Abercrombie signed into law House Bill 425, H.D. 1, as Act 6, Session Laws of Hawaii 2013 (Act 6). Act 6 became effective upon its approval.

Act 6 requires that all offers in compromises submitted to the Department of Taxation (Department), on or after April 5, 2013, be accompanied by a minimum payment. For a lump sum offer in compromise, at least 20% of the proposed offer must accompany the offer. For an offer in compromise that will be paid in periodic installments, an amount equal to the first periodic installment must accompany the offer. The Department may waive these payment requirements for individuals who meet the low income certification guidelines published by the Internal Revenue Service.

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.

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