

STATE OF HAWAII — DEPARTMENT OF TAXATION
APPEAL APPLICATION INSTRUCTIONS
FOR THE ADMINISTRATIVE APPEALS AND DISPUTE RESOLUTION PROGRAM

Purpose of Form

Use this form to apply to the Administrative Appeals and Dispute Resolution (AADR) program.

About AADR

AADR is a pilot program to help taxpayers and return preparers resolve their tax disputes with the Department of Taxation (DOTAX) quickly and without litigation. It is an informal appeals process that independently reviews and resolves disputes through correspondence, telephone, and informal conferences.

Appeals is a separate and independent body within DOTAX. It is not part of Field Audit, Office Audit, the Special Enforcement Section, or any other office in the Compliance Division that issues assessments.

Appeals will equally consider the positions of you and DOTAX except for moral, religious, political, constitutional, conscientious objection, or similar grounds.

Who May Apply

Any **taxpayer** who was audited by DOTAX and received any of the following may apply:

1. Notice of Proposed Assessment; or
2. Notice of Final Assessment.

Any **return preparer** who received a notice and demand of penalty.

Acronyms and Abbreviations

AADR = Administrative Appeals and Dispute Resolution Program

Appeals = Administrative Appeals Office

BOR = Board of Review

DOTAX = Department of Taxation

FEIN = Federal Employer Identification Number issued by the Internal Revenue Service

HI Tax ID = Hawaii tax identification number (sometimes called a "W" number or GET license)

TAC = Tax Appeal Court of the State of Hawaii

Where to File Your Application

Mail or hand deliver your application with a copy of each DOTAX assessment that you dispute to:

Hawaii Department of Taxation
Administrative Appeals Office
830 Punchbowl Street, Room 221
Honolulu, HI 96813-5094

In addition, you must file a copy of your application with the auditor or examiner assigned to your case at the same time

Deadline to Apply

Your application is due on or before the deadline as explained below. There are no extensions of time to file and we cannot accept a late or incomplete application.

Assessment Type	Deadline
Proposed	20 CALENDAR DAYS after the <i>mailing date</i> of the assessment
Final	30 CALENDAR DAYS after the <i>mailing date</i> of the assessment
Preparer penalty	30 CALENDAR DAYS after the <i>mailing date</i> of the assessment

If the deadline is on a **Saturday, Sunday, or legal Hawaii state holiday**, then you have until the next business day to file. Generally, an application is timely filed if we receive it in a postage paid, properly addressed envelope with a United States Post Service postmark that is within the period for timely filing.

you file your application with Appeals. Applications cannot be electronically filed or faxed at this time.

For More Information

Web address: tax.hawaii.gov/appeals

Email: tax.appeals@hawaii.gov

Telephone: (808) 587-1446

Fax: (808) 587-1560

Appeals does not have a walk-in counter so please email or call us if you have a question. If you need face-to-face assistance, please call at least 24 hours in advance to schedule an appointment.

Section 1 Your Information

A person who requests an appeal is called a "petitioner." Please tell us who you are and the best way to contact you.

Individuals: Enter your social security number, full name, mailing address, daytime telephone number, fax number, and email address. If you have your own business, enter your FEIN (if applicable), HI Tax ID, and business name (also known as a Doing Business As (DBA) or trade name).

Married Couples: If you were married in the tax year(s) for which the assessment(s) was issued and wish to file a joint application, enter the information for both spouses.

Businesses: Enter your FEIN, HI Tax ID, business name as listed on your tax return(s) and DOTAX assessment(s), DBA or trade name(s), mailing address, daytime telephone number, fax number, and email address.

Section 2 Your Representative (if any)

If you want a certified public accountant (CPA), tax attorney, or other person to represent you in this appeal, complete this section. Having a representative is optional. If you don't have or don't want a representative, skip this section and go on to section 3.

Section 3 Information About Your Appeal

Line 3a. If you are a taxpayer, check the appropriate box to show the type of assessment notice(s) that you dispute. If you are a return preparer appealing a preparer penalty, check the box for "Notice and Demand of Penalty."

Line 3b. List the tax year, tax type, and *mailing* date of each assessment notice that you dispute.

Line 3c. Provide the name of the auditor or examiner assigned to your case.

Line 3d. Check the appropriate box to show which branch conducted the audit.

Line 3e. Check the appropriate box to show the branch location.

Line 3f. Check the appropriate box to show if you appealed the assessment(s) listed on line 3b to the BOR. If you checked "Yes" and Appeals accepts your case, you must choose between having your case heard by either Appeals or the BOR.

Line 3g. Check the appropriate box to show if you appealed the assessment(s) listed on line 3b to the TAC. If you checked "Yes" and Appeals accepts your case, you must obtain permission from the court to participate in AADR. You *do not* have to withdraw your appeal from the TAC to participate in AADR.

Section 4 Reason for Your Appeal

Clearly and concisely list each item that you disagree with on the assessment notice(s) that you received. Use letters or numbers for each item and briefly state the reason the assessment is incorrect. If you need more space, attach additional sheets. For example:

Disagreed items:	Reasons:
A. Disallowed renewable energy technologies income tax credit for tax year 2014.	A. I disagree because I filed my claim by the due date.
B. Disallowed deduction for unreimbursed employee expenses for tax year 2013.	B. I disagree because my expenses are allowable.
C. Additional income subject to general excise tax for tax year 2014.	C. I disagree because my income is exempt.

Section 5 Statement of Facts

Briefly state the facts and law or other legal authority (such as Hawaii Administrative Rules or case law), if any, which supports your position as described in section 4. List the facts in the same order that you listed the disagreed items in section 4. For example:

A. I filed by the due date listed on the 2014 instructions for Form N-342.

B. I am a teacher and the educator expenses that I deducted are described in federal Publication 529.

C. The income that I used to pay my subcontractors is exempt from general excise tax under section 237-13(3)(B), Hawaii Revised Statutes.

Section 6 Signature of Petitioner(s)

Other Requirements. Check off the boxes in section 6 to show you completed the two requirements listed below. You must:

- 1. Enclose a copy of each DOTAX assessment that you dispute with your application.
- 2. Provide the DOTAX auditor or examiner assigned to your case with a copy of your complete application including any accompanying documents. You must do this at the same time as you file your application with Appeals.

Do not submit your tax return, receipts, or other types of evidence with this application.



Signature Requirements. You must sign your name, print your name and title, and date your application.

If you are filing a joint application, both spouses must sign.

If you are a business (except for a sole proprietorship), then a corporate officer (such as the president, vice-president, secretary, or treasurer), general partner or member with the authority to bind the petitioner listed in section 1 must sign.