



DEPARTMENT OF TAXATION

News Release

LINDA LINGLE
GOVERNOR

KURT KAWAFUCHI, DIRECTOR
Phone: (808) 587-1540
Fax: (808) 587-1560

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**QUALIFYING TAXPAYERS WHO FAILED TO PAY FULL TAXES
TO BE GIVEN PENALTY AND INTEREST WAIVER**

HONOLULU—The State of Hawaii Department of Taxation will grant penalty and interest waivers to qualifying taxpayers who received certain notices and failed to pay the full amount of taxes owed within 60 days of the due date.

Hawaii taxpayers who filed their individual income tax returns by April 20, 2004, but did not pay the full amount due, had an additional 60 days to pay the taxes owed plus accrued interest charges. After the 60-day period, any remaining unpaid taxes were subject to a 20% late payment penalty and additional interest charges on both the unpaid tax and penalty.

The State of Hawaii Department of Taxation sent to certain taxpayers a billing statement in June 2004 that contained ambiguous information regarding the penalty and interest charges on the statement. Therefore, the Department will automatically waive the 20% penalty and interest charges for certain taxpayers that received bills dated June 9, 2004, through June 21, 2004, IF full payment of the amount billed was made by the payment due date printed on the billing statement. These taxpayers will not need to

(more)

contact the Department regarding the waivers, and other taxpayers who paid the additional penalty and interest amounts will automatically receive a refund within 60 days.

Anyone who failed to pay the full amount owed by the payment due date printed on the billing statement, however, will be required to pay the 20% penalty and any additional interest.

"The Department of Taxation apologizes to all those who relied on the billing notice, paid the amount due on or before the payment due date, yet, received an additional bill," said State Tax Director Kurt Kawafuchi. "While we are implementing changes to make sure that this type of incident does not recur, taxpayers also need to be aware of the consequences of not promptly paying their tax obligations."

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For more information, contact:
Cathleen N. Tokishi
External Training & Outreach
Phone: (808) 587-1786
Email: Tax.Training.Outreach@hawaii.gov