



DEPARTMENT OF TAXATION

News Release

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REAL ESTATE BROKERS SENTENCED IN TAX CASES

HONOLULU — Two Honolulu real estate brokers were sentenced on February 13, 2008 in separate tax cases before the Honorable Russell S. Nagata.

In the first case, Dona J. Johnson pled guilty to failing to file her general excise annual returns for tax years 2000 through 2005. She failed to pay \$31,070 in general excise taxes that were due on gross income she had received in excess of \$700,000 for the years in question. Judge Nagata granted her request for a deferred acceptance of guilty plea and ordered her to pay a fine of \$3,000.

Perry Kunishige also pled guilty to failing to file his general excise annual returns for tax years 2003 through 2005 and Judge Nagata also granted his request for a deferred acceptance of guilty plea. Kunishige failed to pay \$20,065 in general excise taxes that was due on the over \$500,000 in gross income he had received over the three-year period. He was also ordered to pay a fine of \$6,000.

Both Johnson and Kunishige were given one-year deferrals and must remain compliant in all tax matters during their deferral periods.

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Willful failure to file a return carries a fine of up to \$25,000 for individuals, a period of incarceration not to exceed one year or probation.

The Department of Taxation to date has successfully prosecuted over 30 individuals in the real estate industry who had failed to report tens of millions of dollars of gross income they had received in commissions from real estate transactions. The amount of taxes that were not reported exceeds a million dollars and is very significant for such a small group of individuals. The goal of the department is to bring everyone into tax compliance and strongly encourages voluntary disclosure to those who have not filed their tax returns.

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