



DEPARTMENT OF TAXATION

**News Release**

**LINDA LINGLE**  
GOVERNOR

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

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**2009 STATE INCOME TAX REFUNDS DELAYED UNTIL JULY 1**

HONOLULU—The State Department of Taxation is reminding the public that effective immediately, the issuance of all net income tax refunds for tax year 2009, including individual, corporate, and fiduciary income tax returns, will be delayed until July 1, 2010. This action, which complies with the legally allowed 90-day refund period, is being taken to mitigate the State's projected \$721 million revenue shortfall for the current fiscal year which ends on June 30, 2010. Delaying the refunds will provide an estimated one-time savings of \$275 million which will go toward balancing the state budget.

The Tax Department will release refunds beginning in July on a first-in-first-out basis. This process will ensure that early filers will receive their refunds first.

Under current Hawai'i law, if the director of taxation approves a refund voucher within 90 days from the due date or the date the return is filed, whichever is later, and the refund check is mailed 45 days from the date of the director's approval, no interest is paid. However, if either of these time limits is exceeded, interest will be paid.

For faster receipt of refunds, taxpayers are advised to have their refunds directly deposited into their bank account by providing their bank routing number and account

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number and indicating the type of account (savings or checking) on their individual net income tax returns. Direct deposits will be the most efficient way to receive refunds.

The refund delay was originally announced in the executive supplemental budget that was submitted to the Legislature on December 21, 2009.

Beginning July 2010, taxpayers may contact the Taxpayer Services Call Center during business hours at 808-587-4242 or 1-800-222-3229 (toll free) for information on the status of their refunds.

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For more information, contact:  
Stanley Shiraki  
Deputy Director  
Phone: (808) 587-1540  
Email: [Tax.Directors.Office@hawaii.gov](mailto:Tax.Directors.Office@hawaii.gov)