

# APPEAL APPLICATION INSTRUCTIONS

FOR THE ADMINISTRATIVE APPEALS AND DISPUTE RESOLUTION (AADR) PROGRAM

## Purpose of Form

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

## About AADR

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

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

The AAO will equally consider the positions of the petitioner and the Department, but it will not consider moral, religious, political, constitutional, conscientious, or similar objections.

## Who May Apply to AADR

Any **taxpayer** who was audited by the Department 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 may apply.

Examples of items that **cannot** be appealed to the AAO include, but are not limited to, a Statement of Taxpayer, a Statute of Limitations refund denial letter, a tax return adjustment letter, collection referral, and lien notice.

## Where to File Your Application

You may file online through Hawaii Tax Online at [hitax.hawaii.gov](https://hitax.hawaii.gov) or mail or hand deliver your application with a copy of each disputed assessment to:

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

In addition, you must provide a copy of your application to the auditor or examiner assigned to your case at the same time that you file your application with the AAO. Applications cannot be electronically filed or faxed at this time.

## For More Information

Web address: [tax.hawaii.gov/appeals](https://tax.hawaii.gov/appeals)  
E-mail: [tax.appeals@hawaii.gov](mailto:tax.appeals@hawaii.gov)  
Telephone: (808) 587-1446  
Fax: (808) 587-1560

## 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.

## Section 1 Your Information

**Individuals:** Enter your social security number (SSN), full name, mailing address, daytime telephone number, and e-mail address. If you have your own business, enter your Federal Employer Identification Number (FEIN), if any, Hawaii Tax Identification Number, and trade name or “doing business as” name (DBA).

**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, Hawaii Tax Identification Number, business name as listed on your tax return(s) and assessment(s), DBA or trade name(s), mailing address, daytime telephone number, and e-mail address.

## Section 2 Your Representative (if any)

Having someone to represent you in this appeal is optional. If you have a representative, enter the representative’s name, Verified Practitioner Identification Number (VPID) or Tax Matters Representative Identification Number (TMRID), and contact information in the spaces provided. You must submit Form N-848, Power of Attorney, with your application.

**Verified Practitioner:** If your representative is a practitioner such as an attorney, accountant, or enrolled agent, enter the representative’s Verified Practitioner Identification Number (VPID). Any person who represents a taxpayer in a professional capacity before the Department of Taxation must obtain a VPID. Apply for a VPID online at [hitax.hawaii.gov](https://hitax.hawaii.gov). See Tax Announcement No. 2017-3 for more information. A practitioner may not use his or her SSN in lieu of a VPID.

**Tax Matters Representative:** If your representative is not a practitioner, enter the representative’s Tax Matters Representative Identification Number (TMRID) or full social security number (SSN). A representative who is not a practitioner and does not want to disclose his or her SSN, may apply for a TMRID online at [hitax.hawaii.gov](http://hitax.hawaii.gov), or by filing Form TMR-12.

**Section 3 Information About Your Appeal**

**Line 3a.** Check the appropriate box to show the type of assessment notice(s) that you dispute. If you are a tax return preparer appealing a preparer penalty, check the box for “Notice and Demand of Penalty.” If the type of notice you are disputing is not listed in this section, STOP. Your case is ineligible for AADR. Line 3b. List the assessment mailing date(s), tax year(s), and tax type(s) of the assessment notice(s) 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 or plan to appeal the assessment(s) listed on line 3b to the Board of Review.

**Line 3g.** Check the appropriate box to show if you appealed or plan to appeal the assessment(s) listed on line 3b to the Tax Appeal Court (TAC). If you checked “Yes,” you are required to obtain permission from the TAC to participate in AADR. Attach a copy of the Court permission. If your request is pending, attach a copy of the pending motion or stipulation.

**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.	A. I disagree because I filed my claim by the due date.
B. Disallowed deduction for unreimbursed employee expenses.	B. I disagree because my expenses are allowable.
C. Additional income subject to general excise tax.	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 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 assessment that you dispute with your application.
- 2. Provide the 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 the AAO.

Your application may be rejected or delayed if you don’t fulfill these requirements. 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.