August 10, 2004

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2004-09


On July 1, 2004, the Governor signed H.B. No. 2883, H.D. 2, S.D. 2, C.D. 1, into law as Act 159. Act 159 requires wireless providers to charge customers a 66-cent monthly surcharge to be deposited into a special fund. Moneys in the special fund will be dedicated to upgrading wireless carrier locations and 911 call centers to allow public safety agencies to better locate wireless callers.

Wireless providers may retain two percent of the amount of the surcharges collected to offset administrative expenses associated with billing and collecting the surcharge. The surcharges collected (including the 2 percent retained for administrative fees) are not subject to any tax, fee or assessment, nor are they considered revenue of the provider or reseller.

The amendments made by this Act are effective as of July 1, 2004.

Current forms and other tax information are available at the Department's website at: www.state.hi.us/tax. If you know which tax form or publication you need, please call the Department's request line at 808-587-7572, or toll-free from the neighbor islands and continental U.S. at 1-800-222-7572. This service is available 24 hours a day, 7 days a week.

KURT KAWAFUCHI
Director of Taxation

HRS Section Explained: New HRS chapter.