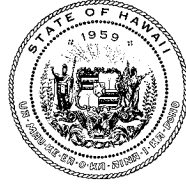


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GOVERNOR

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LT. GOVERNOR



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KURT KAWAFUCHI
DIRECTOR OF TAXATION

STANLEY SHIRAKI
DEPUTY DIRECTOR

July 28, 2009

Department of Taxation Announcement No. 2009-13

RE: Limited Period of Time For No Penalty and Interest on Income Tax Payments Ending Soon

In Department of Taxation Announcement No. 2009-04, taxpayers were urged to adjust their withholding and estimated tax payments since Act 60, Session Laws of Hawaii 2009, increases the income tax for the highest income bracket while the withholding calculations in Booklet A, Employer's Tax Guide, stop at the 8% tax rate. Act 60 provides, for a limited period of time, that no penalty or interest will be imposed because of any underpayment of tax by a taxpayer or an employer where the only reason for the underpayment is attributable to the increased tax rates imposed by Act 60. The period where no penalty or interest will be imposed is generally ninety (90) days after Act 60 became law, or August 6, 2009. In the case of estimated tax payments, the period where no penalty or interest will be imposed lasts until the due date of the taxpayer's estimated tax payment that falls on or after August 6, 2009.

Taxpayers must still ensure that their entire year's estimated tax liability is paid, either through withholding or estimated tax payments, by the due date for their third and fourth estimated tax payment periods in order to avoid paying a penalty.

This Announcement serves as a reminder that the limited period of time that no penalty or interest will be imposed because of any underpayment of tax will end soon.

For more information on Act 60, please contact the Rules Office at 808-587-1577.

A handwritten signature in black ink, appearing to read "Kurt Kawafuchi", is written over a white background.

KURT KAWAFUCHI
Director of Taxation