



## DEPARTMENT OF TAXATION

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### **Hawaii Department of Taxation to Revoke Abandoned Tax Licenses**

HONOLULU – The Hawaii Department of Taxation (Department) announced today that it has published notice to revoke tax licenses due to abandonment.

By law, a tax license is considered abandoned if the license holder has not filed its period and annual returns for a period of five or more years. The Department is providing an additional two-year grace period for a total of seven years of inactivity before revoking tax licenses due to abandonment.

The Department is required to post a notice of intent to revoke the licenses by publishing a notice on its website for at least 45 days. The notice, Tax Announcement 2019-07, was posted to the Department's website on June 28, 2019.

As explained in the notice, concerned taxpayers are urged to check on the status of their tax license(s) by visiting the Department's website at <http://tax.hawaii.gov> and clicking "Search Tax Licenses."

- If a license has a "pending revoke" status and the license holder wishes to retain the tax license, the taxpayer, by September 30, 2019, must (1) file missing returns or (2) submit a petition (letter) to the Director of Taxation explaining why revocation should not occur.
- If a taxpayer does not need to keep the tax license, no action needs to be taken. The tax license will automatically be revoked after September 30, 2019.

"Many businesses close and stop filing tax returns but forget to notify the Department to close their tax licenses," said Director of Taxation, Linda Chu Takayama. "The Department identified over 400,000 abandoned licenses. Revoking these abandoned licenses is a housekeeping activity that will improve efficiency in tax administration and allow us to focus our efforts on active businesses."

Moving forward, the Department will be revoking abandoned licenses at least annually.

The obligation to pay taxes remains regardless of whether a license is revoked due to abandonment or otherwise closed. The status of a tax license has no effect on liability for payment of taxes, fees, penalties or interest accrued or imposed; debts must be paid. Also, license holders are required to file missing returns and are subject to audit review.

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