

**DEPARTMENT OF TAXATION'S REPORT TO THE LEGISLATURE  
REGARDING THE DEPARTMENT'S GOALS AND OBJECTIVES AS  
REQUIRED BY ACT 100, SESSION LAWS OF HAWAII 1999**

February 10, 2014

The following is a list of the Department of Taxation's goals and objectives for the coming year as required by Act 100, Session Laws of Hawaii, 1999:

**GOAL 1:**            **We will increase voluntary compliance.**

**Objective 1:**        **We will increase the number of taxpayers who are voluntarily complying.**

The cornerstone of voluntary compliance is public trust that tax laws are being administered fairly, consistently, and in a uniform manner. The Department's prompt, informed, and courteous service will engender such public trust and thereby increase voluntary compliance.

Long-term compliance is gained when taxpayers understand the tax requirements and are able to meet them in the most direct, simple, and straightforward way.

**Action Plan 1:**

We will identify ways to facilitate complying with the tax filing and payment requirements. The Forms Committee will undertake the review and any redesign of forms and publications to replace “tax legalese” with “plain talk” terminology. We will summarize the pertinent points at the beginning of publications, followed by more detailed information easily identified in a table of contents.

**Action Plan 2:**

We will actively engage in community outreach programs including public service announcements. We will help taxpayers understand and meet their Hawaii tax obligations by providing timely and relevant information, and keeping them apprised of new developments. We will provide public outreach through workshops, seminars, and on-site assistance to both taxpayers and tax preparers.

**Action Plan 3:**

We will identify major market segments and design “targeted” presentations for each segment including specific industries, non-resident taxpayers, immigrant populations that may not understand their obligations under Hawaii's tax system, and others. Along with identifying market segments, we will identify the best means of communicating with them, e.g., the associations’ newsletters and periodicals.

**Objective 2: We will determine the underlying reasons for non-compliance by those who underreport income or who fail to file tax returns.**

**Action Plan 1:**

We will establish a Voluntary Compliance Committee to keep abreast of current issues and best practices in resolving those issues. The committee will be made up of members who regularly deal with the public; these include Taxpayer Services, Collections, Office Audit, Field Audit, Taxpayer Advocate Services and Appeals Officer. We will identify consumer needs from walk-in, telephone, and correspondence customers. We will gather feedback from customers to enhance communication through improving websites, correspondence and tax releases. Considering the issues that are raised in their sections, the VCC will meet regularly to identify the recurring non-compliance issues and to recommend how best to resolve them through administrative processes or through legislative proposals.

**Action Plan 2:**

To maintain public trust, we must assure that every taxpayer is paying his/her fair share. We will identify those who have not filed and develop cases for enforcement and prosecution.

**Objective 3: We will take a proactive approach to identify new filers.**

**Action Plan 1:**

We will identify new filers and provide them with the tax education and assistance needed to allow them to become compliant taxpayers.

**GOAL 2: We will improve both manual and electronic processing.**

**Objective 1: We will re-engineer business processes.**

**Action Plan 1:**

We will improve manual business processes through management tools including process mapping, SWOT analyses, and review of performance measures. Whenever possible, we will use internal resources for the immediate improvement and identify the business requirements for features that should be later included in tax systems modernization.

**Objective 2: We will implement Tax Systems Modernization(TSM)**

**Action Plan 1:**

We will continue to gather information on the best practices of other States in implementing computer systems modernization and in evaluating vendors' products. We will submit a budget request for TSM, a request for procurement and we will begin the organizational structure to implement modernization in FY2013.

**Objective 3: We will provide for electronic registration, filing, payment, and tax clearances.**

**Action Plan 1:**

We will establish an E-File Committee to identify areas which can be improved through electronic processing including registration, tax clearances, tax payment and filing. We will undertake a marketing and community outreach to increase the number of taxpayers using electronic interfaces and to further improve the taxpayers' experiences. We will evaluate customer feedback in making additional services available electronically that will meet or exceed our customers' expectations. Forms will be designed to identify pertinent information for easy retrieval.

**Action Plan 2:**

We will work closely with the State Chief Information Officer (CIO) to identify opportunities for improvement and to ensure our Information Technology development is aligned with CIO goals and objectives.

**Action Plan 3:**

We will adjust taxpayer services to assist taxpayers who have difficulty with electronic filing and/or do not have access to computers.

**GOAL 3: We will foster quality driven productivity**

**Objective 1: We will develop each employee to his/her full potential.**

**Action Plan 1:**

Department employees are our greatest assets. We will strive to develop each employee to his/her full potential. Employees will be encouraged to develop individual development plans to meet the responsibilities of their current position and to help them identify areas of growth that will help them qualify for target positions.

**Action Plan 2:**

We will reinforce the Department's values of respect, teamwork, communication, cooperation, trust, support, integrity, honesty, fairness, and responsibility. We will promote a culture and environment where our workforce continuously seeks to improve and realize its potential.

**Action Plan 3:**

We will provide training opportunities to maintain and improve our employees' skills. We will design basic training and annual training for all specialty positions.

**Action Plan 4:**

We will improve communication for our employees. We will develop and maintain an intranet for staff to allow immediate access to newsletters, manuals, administrative forms, memoranda, directives, and tax alerts.

**Objective 2:            We will provide employees with the resources to operate efficiently and effectively.**

**Action Plan 1:**

We will leverage limited resources and prudently utilize new sources of information by partnering with state and federal agencies including the Department of Health, Department of Commerce and Consumer Affairs, Department of Labor, Internal Revenue Service, and other agencies to maximize benefits.

**Action Plan 2:**

We will provide equipment and other tools including research material and access to databases.

**Action Plan 3:**

We will work closely with the tax practitioner community to assure quality by establishing minimum requirements and by providing frequent communication and alerts.

**Objective 3:            We will design automated management information reports for each staffing level.**

**Action Plan 1:**

We will design management information reports for our tax systems modernization to measure input, output and outcomes. We will provide case management systems for those staff persons working an inventory of cases. We will automate the gathering, maintaining, and retrieval of data to provide management tools for Division Administrators, Branch Chiefs, and Supervisors.