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# OFFICE OF THE GOVERNOR – NEWS RELEASE – TAXATION DEPARTMENT MARKS MILESTONE AS IT DEPLOYS FINAL PHASE OF TAX SYSTEM MODERNIZATION PROJECT

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## ***Improved efficiency, security, compliance come online at DOTAX***

HONOLULU – Gov. David Y. Ige announced that the State Department of Taxation (Department or DOTAX) is going live with its fifth and final phase of work as part of the Tax System Modernization (TSM) project today. With this final installment, the department will add cigarette/tobacco, fuel and liquor taxes to the new system, completing the configurations needed to administer all Hawai'i taxes.

“When I first became governor, there was a backlog of tax returns and payments, and this project was just getting started,” said Gov. Ige. “Today, we have a system that enables more forms to be e-filed, returns are being processed quickly, and security and compliance are improved. Thanks to the joint effort of our DOTAX staff and vendor, Fast Enterprises, LLC, we were able to stand up new systems; extract and convert legacy data to the new system; and design, configure, test, and learn the new systems while maintaining operations,” said Gov. Ige.

Taxpayers are already actively using Hawaii Tax Online. More than 2.5 million returns have been e-filed in the new system. The use of e-filing and the new system has greatly increased the efficiency in processing of payments and returns.

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This last phase of the TSM project adds additional enhancements to the new system including:

- Mandatory e-filing. Beginning September 2019, mandatory e-filing will be required for cigarette/tobacco, fuel, and liquor taxpayers. Rental Motor Vehicle taxpayers follow beginning October 2019. This is the first time we are using our authority to require mandatory e-filing for certain taxes.
- License suspension and revocation. cigarette/tobacco, fuel and liquor taxpayers are the first group that will be subjected to license suspension and revocation authorities. This will be expanded to other taxpayers in the future. It is important for taxpayers to file and pay on-time.
- Reporting and analysis. We are updating reports to utilize the data collection and analysis capabilities provided by the new tax system.

“This final deployment enables all of our taxes to be administered by GenTax and Hawaii Tax Online,” said Rona Suzuki, Director of Taxation. “We now have a solid foundation to build on. We will be leveraging our technical investment to improve our ability to fairly, consistently, and efficiently administer Hawai‘i’s tax laws to provide the funds needed for state services.”

To learn more about the TSM project and Hawaii Tax Online, please visit <http://tax.hawaii.gov> (<http://tax.hawaii.gov>).

**Transcribed SOUNDBITES:**

**Governor David Ige:**

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Tax modernization has been one of the priorities that allows us to improve the efficiency and effectiveness of our public servants. (:11 seconds)

It gives them (public servants/employees) the tools to be more effective, to allow us to engage in a more appropriate way. And most importantly, it allows us to do more with less. (:08 seconds)

**Rona Suzuki/DOTAX Director:**

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The governor's been very supportive of this project, even when he was in the Legislature. He's always believed we should process documents and returns and payments in a timely manner. He's been on our butt at the department a little bit, to make sure that everything got done quickly. (:14 seconds)

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