
HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A MANAGEMENT AUDIT OF THE
DELINQUENT TAX PROJECT OF THE DEPARTMENT OF TAXATION.

1 WHEREAS, the Department of Taxation has contracted with a
2 private firm to implement a delinquent tax project; and
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4 WHEREAS, under the project, the contractor is required to
5 enhance delinquent tax collections by identifying taxpayers who
6 have tax delinquencies and assisting the Department in
7 collecting the delinquent taxes; and
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9 WHEREAS, the private contractor is compensated by retaining
10 one-third of the delinquent taxes collected; and
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12 WHEREAS, the Legislature, however, is concerned that the
13 project is not working as effectively or efficiently as it
14 should; and
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16 WHEREAS, a critical question has arisen of whether the
17 project continues to be in the State's best public interest; and
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19 WHEREAS, the contractor has been paid approximately
20 \$10,000,000 for the first phase, and may be compensated by an
21 additional \$15,000,000 for the next phase; and
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23 WHEREAS, these payment amounts are substantial, and the
24 State should be assured that it is receiving full return on
25 these expenditures and that the contract continues to be in the
26 State's best public interest; and
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28 WHEREAS, thus, the Legislature finds that an audit of the
29 project should be conducted; now, therefore,
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31 BE IT RESOLVED by the House of Representatives of the
32 Twenty-fifth Legislature of the State of Hawaii, Regular Session



1 of 2009, the Senate concurring, that the Auditor is requested to
2 conduct a management audit of the delinquent tax project of the
3 Department of Taxation; and
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5 BE IT FURTHER RESOLVED that the Director of Taxation and
6 private contractor for the project are requested to cooperate
7 with the Auditor to the fullest extent possible during the
8 conduct of the management audit; and
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10 BE IT FURTHER RESOLVED the Auditor is requested to submit
11 findings and recommendations of the audit to the Legislature at
12 least twenty days before the convening of the Regular Session of
13 2010; and
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15 BE IT FURTHER RESOLVED that certified copies of this
16 Concurrent Resolution be transmitted to the Auditor and the
17 Director of Taxation, who, in turn, is requested to transmit a
18 copy to the private contractor conducting the delinquent tax
19 project.
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OFFERED BY:

Calvin H. By
Paul Chung

MAR 18 2009

