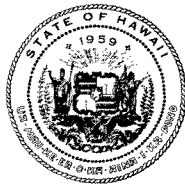


NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809

FREDERICK D. PABLO
INTERIM DIRECTOR OF TAXATION

RONALD B. RANDALL
ACTING DEPUTY DIRECTOR

SENATE COMMITTEE ON WAYS AND MEANS

BUDGET BRIEFING TESTIMONY

TESTIFIER: Frederick D. Pablo, Interim Director of Taxation
DATE: January 5, 2011
TIME: 9:00 a.m.
ROOM: 211

I. MISSION STATEMENT

Our mission is to administer the tax laws for the State of Hawaii in a consistent, uniform, and fair manner.

II. ECONOMIC IMPACT

Between FY 08 and FY 11, the Department, which is 95% generally funded, had its general fund budget reduced by \$5.3M/ 21% and its permanent authorized positions reduced by 43.50 position/11%.

In order to meet targeted reductions, the Department reduced other current expenses to bare minimum, limiting supply purchases, restricting training expenditures, and curtailing all but essential travel including canceling its annual Winter Workshop on every island. The Department restricted overtime; abolished vacant positions and funding; reduced 9.0 permanent full-time positions through reduction-in-force; and was required to furlough all employees. In addition, the Department was informed that its blanket approval to fill positions was rescinded for all but temporary tax season employees.

As with most agencies, the Department can do without a lot of things in the short-term to make ends meet, but having to do without these things for an extended period of time is another matter. While the Department did its best to mitigate the impact of the reductions and restrictions, the following significant impacts were noted:

- Focus on achieving short-term spending reductions limits management's capacity for strategic planning to improve systems and processes to efficiently and effectively service the public.

- Quality of service to the public has suffered.
 - The Compliance Division experienced delays in responding to taxpayers and their representatives who are under audit and/or collection action, delays in settlements, offers in compromise, voluntary disclosures, Board of Review hearings and cases pending litigation in the courts, and loss of flexibility to respond to taxpayer needs.
 - The Tax Services & Processing Division (TSP) which in FY 10, processed \$4.899 billion or 99.5% (*out of a total of \$4.923 billion*) of the Department's tax revenue, experienced delays in the overall processing speeds of tax returns and payments, increased wait time for walk-in taxpayers, correspondence, and the call center, and a sharp decrease in the call answer rate from 80% in FY 09 to 61% in FY 10. The reductions and restrictions threaten TSP's ability to meet various taxation mandates/deadlines (*e.g., liquor and contractor license renewal deadlines*).
- Lacking flexibility to hire and invest in our employees has caused the Department to become less efficient.
 - In the Compliance Division, due to reduction in staff and furlough days, Branch Chiefs and Section Supervisors need to perform line level work in order to reduce backlog, impairing their ability to manage their branches and sections effectively. On the neighbor islands, senior workers have been assigned to augment the Taxpayer Service function causing Collection and Audit (both office and field) to backlog.
 - In the Tax Services and Processing Division, the Call Center's supervisor will be retiring as of 12/30/10 and our request to fill this anticipated vacancy via an exemption request was not approved by the former B&F Administration. Going into the 2011 tax season without a dedicated Call Center supervisor is a huge risk for the Department as often times the ability to efficiently and effectively service taxpayer inquiries, especially as it relates to billing notices, has a direct correlation to the taxpayer timely sending in their respective tax return and payment. Until the ability to fill this and other key positions are made available, the management and overall productivity oversight will need to be temporarily assigned to the respective Branch Chiefs who have already been absorbing a lot of extra workload to help carry the load.

- The restriction on training opportunities dilutes overall effectiveness gained in an on-going multi-year effort to enhance staff skill sets, remain current with technology, broaden business knowledge, and apply best practices.
- The State's economic downturn and subsequent related factors (*e.g., 2009 delayed net income refunds, tax filing due date changes, etc.*) have altered taxpayer filing patterns. The change in filing patterns makes it more challenging to anticipate fluctuations in filing volume and to make the best use of limited resources by staffing temporary tax season positions at the appropriate levels.
- Personnel related issues have increased.
 - Increase in workload for the remaining staff over an extended time has led to burn out; health issues; absenteeism; increase in labor relations issues; and difficulty retaining trained, skilled employees. Many managers and staff are doing two or three jobs.
 - Position abolishments, inability to fill vacant positions, and retirements of key staff have created vacuum in knowledge transfer, skills and abilities, and undermine succession planning.

III. ALTERNATIVES CONSIDERED

Generating additional revenue for the state

In prior years, the Department had the resources to pursue multiple revenue enhancement initiatives. In FY 09, the Department initiated the Delinquent Tax Collection project, Cash Economy Program, Voluntary Disclosure, and Monetizing/Liquidating Inventory. With reduced staffing levels, the Department has struggled to keep these programs running.

The Delinquent Tax Collection project has reported to bring in more than \$100M in "new" revenues of which the vendor was paid \$25M. This project has been the Department's lead initiative to which the Department has committed substantial resources. The Department's Delinquent Tax Collection Team, winner of our Po'okela Team of the Year award, included more than 80 of the Department's 364 employees. In addition, Executive Management and other employees contributed to this effort in varying degrees.

In FY 10, the Cash Economy Program made substantial progress with the hiring of an Investigator Supervisor and four Investigators. Activities and accomplishments of the SES include:

- Conducting outreach and public dissemination of information regarding the Special Enforcement Section and the Cash Economy Enforcement Act on Oahu, Maui, Hawaii and Kauai through CPA and Bar Associations, practitioner groups, industry groups and to various groups that requested meetings;
- Reviewing and selecting high-risk cases, including cash-based businesses, potential civil fraud cases, and complex collection matters;
- Conducting field operation where Special Enforcement Section Agents were identifiable. Field operations were conducted at farmer's markets, craft fairs, shopping malls, food courts, industrial parks, restaurants and other locations and included issuing warnings and citations to businesses who were in violation of Hawaii tax laws;
- Investigating cases relevant to the Special Enforcement Section's mission, including cases involving potential fraud and underreporting of cash receipts, potential false returns, as well as complex collection matters.

In addition, the SES is currently developing Questions and Answers to be posted on the Department's website and for public dissemination. To date, the SES reports the following statistics:

Complaints filed by anonymous persons:	140
Taxpayer inquiries re: how to comply with tax law:	100
Site visitations throughout the State of Hawaii:	500+
Verbal warnings:	11
Citations issued:	102
Total Fines:	\$ 36,032
Fines rescinded:	\$ 8,840
Fines paid:	\$ 11,982
Number of Audits:	43
Assessments:	\$7.5M
\$ Collected:	\$1.2M

Shifting general funded operational costs to non-general funds

As a general matter, the Department prefers to incur cost in administering Hawaii tax laws by utilizing special funds, where appropriate. The Department has two special funds under its management –

- 1) The Tax Administration Special Funds, HRS §235-20.5. The Department is authorized to offset the cost of issuing certain comfort rulings, the administration of certain tax credits, and the administration of the Special Enforcement Section through the use of this special funds; and
- 2) The Cigarette Tax Stamp Administrative Special Fund, HRS §245-41.5. The Department is authorized to offset the cost of tax stamps and the administration of cigarette tax stamp program.

For the purpose of the Tax Administration Special Fund, the Department offsets the proportionate salary and overhead costs associated with comfort rulings, administering certain tax credits, and the operations and the administration of the Special Enforcement Section through use of the special fund.

The Department utilizes moneys from the Cigarette Tax Stamp Administrative Special Fund to pay for manufacturing and distribution of the Cigarette Tax Stamps.

Outsourcing activities performed by eliminated personnel

The Department has not outsourced activities performed by eliminated personnel.

Consolidation or elimination of programs within your department

The Department is considering reorganizations in order to improve efficiencies and streamline tax administration and processing.

Department of Taxation
Department-wide Budget Summary

Table 1

Fiscal Year (FY) 2011				
Act 180/10 Appropriation (a)	Restriction (b)	Emergency Appropriation (c)	Total FY11 (d)	MOF
\$ 19,755,195.00	\$ -	\$ -	\$ 19,755,195.00	A
\$ 1,047,000.00	\$ -	\$ -	\$ 1,047,000.00	B
			\$ -	N
			\$ -	T
			\$ -	U
			\$ -	V
			\$ -	W
			\$ -	X
\$ 20,802,195.00	\$ -	\$ -	\$ 20,802,195.00	Total
Fiscal Year (FY) 2012				
Act 180/10 Appropriation (a)	Reductions (b)	Additions (c)	Total FY12 (d)	MOF
\$ 21,498,584.00	\$ -	\$ -	\$ 21,498,584.00	A
\$ 1,057,875.00	\$ -	\$ -	\$ 1,057,875.00	B
			\$ -	N
			\$ -	T
			\$ -	U
			\$ -	V
			\$ -	W
			\$ -	X
\$ 22,556,459.00	\$ -	\$ -	\$ 22,556,459.00	Total
Fiscal Year (FY) 2013				
Act 180/10 Appropriation (a)	Reductions (b)	Additions (c)	Total FY13 (d)	MOF
\$ 21,498,584.00	\$ -	\$ -	\$ 21,498,584.00	A
\$ 1,057,875.00	\$ -	\$ -	\$ 1,057,875.00	B
			\$ -	N
			\$ -	T
			\$ -	U
			\$ -	V
			\$ -	W
			\$ -	X
\$ 22,556,459.00	\$ -	\$ -	\$ 22,556,459.00	Total

Department of Taxation
Priority List of Functions

Table 2

Pri #	Description of Function	Activities (not in priority order)	Prog ID(s)	Statutory Reference
1	Tax Services and Processing	Document Processing	TAX 105	Title 14, Chapter 231, 231-3, HRS (generally); 231-3, 231-8.5, 231-9.9 , HRS (specifically)
		Revenue Accounting		Title 14, Chapter 231, 231-3, HRS (generally)
		Taxpayer Services		Title 14, Chapter 231, 231-3, HRS (generally)
2	Compliance	Field Audit	TAX 100	Title 14, Chapter 231, 231-3, HRS (generally)
		Office Audit		Title 14, Chapter 231, 231-3, HRS (generally)
		Collections		Title 14, Chapter 231, 231-3, HRS (generally); 231-25 through 231-70, HRS (specifically)
		District Offices		Title 14, Chapter 231, 231-3, HRS (generally); 231-10, HRS (specifically)
		Criminal Investigations		Title 14, Chapter 231, 231-3, HRS (generally); 231-4.3, 231-34 through 231-36, HRS (specifically)

Department of Taxation
Priority List of Functions

Table 2

Pri #	Description of Function	Activities (not in priority order)	Prog ID(s)	Statutory Reference
3	Supporting Services-Revenue Collections	Special Enforcement	TAX 107	Title 14, Chapter 231, 231-3, HRS (generally); 231-81 through 231-100 (specifically)
		Directs and coordinates departmental activities		
		Administrative Services		Title 14, Chapter 231, 231-3, HRS (generally) Title 14, Chapter 231, 231-3, HRS (generally); 231-4.5, HRS (specifically)
		Rules		Title 14, Chapter 231, 231-3, HRS (generally); 231-8.5, HRS (specifically)
		Systems Administration		Title 14, Chapter 231, 231-3, HRS (generally); 231-8.5, HRS (specifically)
		Information Technology Services		Title 14, Chapter 231, 231-3, HRS (generally); 231-3.4 (specifically)
		Tax Research and Planning		
		Council on Revenues		Haw. Const. Art. VII, Sec. 7; Chapter 37 Part VI, HRS (generally)
		Tax Review Commission		Haw. Const. Art. VII, Sec. 3; Chapter 232E, HRS (generally)
		Board of Reviews		Title 14, Chapter 232, HRS (generally)

Department of Taxation
Resources by Program ID

Table 3

Prog ID/Org	Program Title	As budgeted in Act 180/10 (FY11)			Governor's Submittal (FY12)			Governor's Submittal (FY13)			MOF
		Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	
TAX 100	Compliance	179.00	1.00	\$ 7,887,945.00	179.00	1.00	\$ 8,751,865.00	179.00	1.00	\$ 8,751,865.00	A
TAX 105	Tax Services and Processing	123.00	116.00	\$ 5,765,161.00	122.00	116.00	\$ 6,209,621.00	122.00	116.00	\$ 6,209,621.00	A
TAX 107	Supporting Services-Rev Collection	62.00	11.00	\$ 6,102,089.00	63.00	11.00	\$ 6,537,098.00	63.00	11.00	\$ 6,537,098.00	A
			6.00	\$ 1,047,000.00		6.00	\$ 1,057,875.00		6.00	\$ 1,057,875.00	B
	TOTAL	364.00	134.00	\$ 20,802,195.00	364.00	134.00	\$ 22,556,459.00	364.00	134.00	\$ 22,556,459.00	

Department of Taxation
Current Year (FY11) Restrictions

Table 4

<u>Prog ID</u>	<u>Restriction \$\$\$</u>	<u>Impact</u>	<u>MOF</u>
	NONE		

Department of Taxation
Proposed FY12 and FY13 Reductions

Table 5

<u>Description of Reduction</u>	<u>Impact of Reduction</u>	<u>Prog ID</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>MOF</u>	<u>Carry-over? (Y/N)</u>
			<u>FY12</u>	<u>FY12</u>	<u>FY12</u>	<u>FY13</u>	<u>FY13</u>	<u>FY13</u>		
	NONE									

Department of Taxation
Proposed FY12 and FY13 Additions

Table 6

<u>Type</u> <u>(FE / HS / O)</u>	<u>Description of Addition</u>	<u>Prog ID</u>	<u>Pos (T)</u>		<u>\$\$\$ FY12</u>	<u>Pos (P)</u>		<u>\$\$\$ FY13</u>	<u>MOF</u>
			<u>Pos (P) FY12</u>	<u>FY12</u>		<u>FY13</u>	<u>FY13</u>		
O	Furlough Restoration	TAX 100	-	-	863,920.00	-	-	863,920.00	A
O	Furlough Restoration	TAX 105	-	-	475,672.00	-	-	475,672.00	A
O	Furlough Restoration	TAX 107	-	-	403,797.00	-	-	403,797.00	A
O	Furlough Restoration	TAX 107	-	-	-	-	-	-	B
	TOTAL		-	-	1,743,389.00	-	-	1,743,389.00	

Department of Taxation
Operating Budget Requests to the New Administration

Table 7

<u>Description of Addition</u>	<u>Prog ID</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$ FY12</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$ FY13</u>	<u>MOF</u>
		<u>FY12</u>	<u>FY12</u>		<u>FY13</u>	<u>FY13</u>		
Resources for Tax Review Commission pursuant to HRS §232E	TAX 107	-	-	TBD	-	-	\$ -	A

Department of Taxation
 Non-general funds (excluding Federal Funds)

Table 8

<u>Name of Fund</u>	<u>Unencumbered Cash Balance</u>	<u>MOF</u>	<u>Statutory Reference</u>
Cigarette Tax Stamp Administrative Special Fund	\$ 160,938.35	A	HRS §245-41.5
Tax Administration Special Fund	\$ 1,126,745.58	A	HRS §245-26

Department of Taxation
Emergency Appropriation Requests

Table 9

<u>Prog ID</u>	<u>Description of Request</u>	<u>FTE</u>	<u>\$\$\$</u>	<u>MOF</u>
NONE				

Department of Taxation
Budget Decisions

Table 10

Prog ID/Org	Description	MOF	Department Request FY12			Department Request FY13			Budget & Finance FY12			Budget & Finance FY13			Governor's Decision FY12			Governor's Decision FY13		
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
TAX 105	Trnsf 1 pos & funds to ITSO	A	(1.00)	-	\$ (31,212.00)	(1.00)	-	\$ (31,212.00)	(1.00)	-	\$ (31,212.00)	(1.00)	-	\$ (31,212.00)						
TAX 107	Trnsf 1 pos & funds to ITSO	A	1.00	-	\$ 31,212.00	1.00	-	\$ 31,212.00	1.00	-	\$ 31,212.00	1.00	-	\$ 31,212.00						
TAX 107	Restore funding for Deputy Director and Private Secretary	A	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -						

Department of Taxation
Vacancy Report

Table 11

<u>Date of Vacancy</u>	<u>Position Title</u>	<u>Position Number</u>	<u>Exempt (Y/N)</u>	<u>Budgeted Amount</u>	<u>Actual Salary Last Paid</u>	<u>MOF</u>	<u>Prog ID</u>	<u>Authority to Hire (Y/N)</u>
11/3/2008	Tax Returns Examiner I	003705	N	\$ 37,968	\$ 32,424	A	TAX100CH	N
9/1/2010	Tax Returns Examiner III	117460	N	\$ 46,176	\$ 46,176	A	TAX100CH	N
5/30/2009	Tax Returns Examiner III	004421	N	\$ 36,516	\$ 51,936	A	TAX100CK	N
9/10/2009	Spcl Enf Section Investigator	119352	Y	\$ 50,000	\$ -	B	TAX100CO	Y
10/31/2009	Tax Assessor I (Office Audit)	001623	N	\$ 67,896	\$ 67,896	A	TAX100CO	Y
5/16/2008	Tax Returns Examiner II	047876	N	\$ 33,756	\$ 42,708	A	TAX100CO	N
5/20/2008	Tax Returns Examiner II	047877	N	\$ 33,756	\$ 33,720	A	TAX100CO	N
7/1/2009	Tax Returns Examiner II	004418	N	\$ 36,516	\$ 48,048	A	TAX100CO	N
5/30/2009	Tax Returns Examiner III	003692	N	\$ 36,516	\$ 56,172	A	TAX100CO	N
7/1/2009	Tax Returns Examiner IV	001506	N	\$ 39,480	\$ 63,204	A	TAX100CO	N
8/1/2008	Auditor IV	007047	N	\$ 45,576	\$ 45,588	A	TAX100CP	N
7/7/2007	Auditor V	016049	N	\$ 51,312	\$ 45,588	A	TAX100CP	N
10/18/2010	Auditor V	011875	N	\$ 67,488	\$ 67,488	A	TAX100CP	Y
7/10/2010	Criminal Investigator	038686	Y	\$ 61,656	\$ 51,656	A	TAX100CP	N
10/1/2010	Office Assistant III	001612	N	\$ 25,668	\$ 25,668	A	TAX100EH	N
11/1/2009	Supervising Tax Clerk II	001598	N	\$ 51,936	\$ 51,936	A	TAX100EH	N
7/1/2010	Delinquent Tax Coll Asst I	047882	N	\$ 49,932	\$ 49,932	A	TAX100EK	N
5/20/2009	Delinquent Tax Coll Asst II	001507	N	\$ 36,516	\$ 46,176	A	TAX100EK	Y
5/1/2009	Account Clerk IV	016055	N	\$ 48,048	\$ 48,048	A	TAX100EO	N
10/18/2010	Delinquent Tax Coll Asst I	004407	N	\$ 36,516	\$ 36,516	A	TAX100EO	Y
10/18/2010	Delinquent Tax Coll Asst I	011398	N	\$ 46,176	\$ 46,176	A	TAX100EO	Y
10/18/2010	Delinquent Tax Coll Asst I	033459	N	\$ 36,516	\$ 36,516	A	TAX100EO	Y
10/18/2010	Delinquent Tax Coll Asst I	117466	N	\$ 35,064	\$ 35,064	A	TAX100EO	Y
10/21/2010	Taxation Compliance Coordinator	120118	N	\$ 89,052	\$ -	A	TAX100EO	Y
9/1/2010	Cashier II	026777	N	\$ 37,968	\$ 37,968	A	TAX105BA	N
12/31/2009	Documents Procsg Optns Mgr	002766	N	\$ 82,128	\$ 82,128	A	TAX105BA	Y
7/7/2009	Management Analyst II (temp)	049981	N	\$ 36,024	\$ 38,988	A	TAX105BA	N
7/1/2010	Office Assistant III (temp)	118230	N	\$ 26,700	\$ 26,700	A	TAX105BA	N
6/1/2010	Secretary II	011265	N	\$ 46,176	\$ 46,176	A	TAX105BA	N
7/1/2010	Tax Clerk (temp)	043583	N	\$ 31,212	\$ 31,212	A	TAX105BA	N
11/10/2010	Account Clerk III	001468	N	\$ 28,836	\$ 28,836	A	TAX105BB	N

Department of Taxation
Vacancy Report

Table 11

<u>Date of Vacancy</u>	<u>Position Title</u>	<u>Position Number</u>	<u>Exempt (Y/N)</u>	<u>Budgeted Amount</u>	<u>Actual Salary Last Paid</u>	<u>MOF</u>	<u>Prog ID</u>	<u>Authority to Hire (Y/N)</u>
6/1/2010	Accountant III	011526	N	\$ 57,708	\$ 57,708	A	TAX105BB	N
4/10/2010	Tax Clerk	118024	N	\$ 31,212	\$ 31,212	A	TAX105BC	N
8/14/2010	Tax Clerk (temp)	118239	N	\$ 30,036	\$ 30,036	A	TAX105BC	N
4/23/2010	Tax Clerk	026778	N	\$ 30,036	\$ 30,036	A	TAX105BC	N
7/1/2008	Administrative Rules Spclt	118035	Y	\$ 50,000	\$ 40,512	A	TAX107AA	N
9/13/2008	Administrative Rules Spclt	117785	Y	\$ 50,000	\$ 49,338	A	TAX107AA	N
8/1/2009	Administrative Rules Spclt	117972	Y	\$ 50,000	\$ 69,360	A	TAX107AA	N
12/1/2009	Administrative Rules Spclt	102248	Y	\$ 64,895	\$ 64,896	A	TAX107AA	N
6/16/2010	Deputy Director	104171	Y	\$ 100,248	\$ 100,248	A	TAX107AA	N
12/1/2009	Tax Research & Planning Offcr	009861	N	\$ 109,932	\$ 109,932	A	TAX107AD	N

Department of Taxation
Personnel Separations

Table 12

<u>Separation Date</u>	<u>Prog ID/Org</u>	<u>Position Number</u>	<u>Perm/Temp</u>	<u>MOF</u>	<u>Position Title</u>	<u>Budgeted FTE</u>	<u>Budgeted Salary</u>	<u>Actual FTE</u>	<u>Actual Salary</u>	<u>BU Code</u>	<u>SR Level</u>
7/1/2009	TAX100CO	003690	Perm	A	Tax Returns Examiner III	1.00		1.00	\$ 48,048	03	SR-15
7/1/2009	TAX100CO	001534	Perm	A	Tax Returns Examiner III	1.00		1.00	\$ 56,172	03	SR-15
7/1/2009	TAX100CO	004418	Perm	A	Tax Returns Examiner II	1.00		1.00	\$ 48,048	03	SR-15
7/1/2009	TAX100CO	011504	Perm	A	Tax Returns Examiner IV	1.00		1.00	\$ 58,440	04	SR-20
7/1/2009	TAX100CO	001500	Perm	A	Tax Returns Examiner IV	1.00		1.00	\$ 63,204	04	SR-20
7/1/2009	TAX100CO	001506	Perm	A	Tax Returns Examiner IV	1.00		1.00	\$ 63,204	04	SR-20
7/1/2009	TAX105BA	005764	Perm	A	Clerical Supervisor II	1.00		1.00	\$ 39,480	04	SR-12
7/1/2009	TAX105BA	118228	Temp	A	Office Assistant III	1.00		1.00	\$ 26,700	03	SR-08
7/1/2009	TAX105BA	038688	Temp	A	Office Assistant III	1.00		1.00	\$ 25,668	03	SR-08
7/1/2009	TAX105BC	049973	Temp	A	Office Assistant III	1.00		1.00	\$ 26,700	03	SR-08
7/1/2009	TAX105BC	049969	Temp	A	Office Assistant III	1.00		1.00	\$ 25,668	03	SR-08
7/1/2009	TAX105BC	118505	Temp	A	Tax Information Technician II	0.50		0.50	\$ 33,756	03	SR-15
7/7/2009	TAX105BA	049981	Temp	A	Management Analyst II	1.00		1.00	\$ 38,988	13	SR-18
7/8/2009	TAX107AA	104171	Perm	A	Deputy Director	1.00		1.00	\$ 100,248	00	SR-NA
7/30/2009	TAX100CO	117456	Perm	A	Tax Returns Examiner II	1.00		1.00	\$ 41,040	03	SR-17
8/1/2009	TAX105BA	001455	Perm	A	Office Assistant IV	1.00		1.00	\$ 41,040	03	SR-10
8/1/2009	TAX107AA	117972	Exempt	A	Administrative Rules Specialist	1.00		1.00	\$ 69,360	73	SR-NA
9/16/2009	TAX105BC	118451	Perm	A	Tax Clerk	1.00		1.00	\$ 31,212	03	SR-12
9/30/2009	TAX105BC	001559	Perm	A	Cashier II	1.00		1.00	\$ 39,480	03	SR-12
10/31/2009	TAX100CO	001623	Perm	A	Tax Assessor I	1.00		1.00	\$ 67,896	35	EM-03
11/1/2009	TAX100EH	001598	Perm	A	Supervising Tax Clerk II	1.00		1.00	\$ 51,936	04	SR-17
11/14/2009	TAX100EO	001450	Perm	A	Tax Clerk	1.00		1.00	\$ 38,988	03	SR-12
11/21/2009	TAX100EM	001457	Perm	A	Delinquent Tax Coll Asst I	1.00		1.00	\$ 37,968	03	SR-13
12/1/2009	TAX105BA	001556	Perm	A	Cashier II	1.00		1.00	\$ 37,968	03	SR-12
12/1/2009	TAX105BA	041713	Perm	A	Cashier II	1.00		1.00	\$ 41,040	03	SR-12
12/1/2009	TAX105BA	000165	Perm	A	Cashier II	1.00		1.00	\$ 37,968	03	SR-12
12/1/2009	TAX105BA	041714	Perm	A	Cashier II	1.00		1.00	\$ 35,064	03	SR-12
12/1/2009	TAX105BA	047884	Perm	A	Tax Clerk	1.00		1.00	\$ 31,212	03	SR-12
12/1/2009	TAX105EO	118610	Perm	A	Delinquent Tax Coll Asst I	1.00		1.00	\$ 35,064	03	SR-15
12/1/2009	TAX107AA	102248	Temp	A	Administrative Rules Specialist	1.00		1.00	\$ 64,896	73	SR-NA
12/1/2009	TAX107AD	009861	Perm	A	Tax Research and Planning Officer	1.00		1.00	\$ 109,932	35	EM-07
12/1/2009	TAX150BA	026777	Perm	A	Cashier II	1.00		1.00	\$ 33,756	03	SR-12
12/5/2009	TAX100CK	001621	Perm	A	Tax Clerk	1.00		1.00	\$ 32,424	03	SR-12
12/12/2009	TAX107AA	118524	Perm	A	Personnel Clerk III	1.00		1.00	\$ 28,836	63	SR-09
12/31/2009	TAX105BA	002766	Perm	A	Doc Processing Operations Manager	1.00		1.00	\$ 82,128	23	SR-26

Department of Taxation
Personnel Separations

Table 12

<u>Separation Date</u>	<u>Prog ID/Org</u>	<u>Position Number</u>	<u>Perm/Temp</u>	<u>MOF</u>	<u>Position Title</u>	<u>Budgeted FTE</u>	<u>Budgeted Salary</u>	<u>Actual FTE</u>	<u>Actual Salary</u>	<u>BU Code</u>	<u>SR Level</u>
12/31/2009	TAX107AC	042361	Perm	A	Information Technology Specialist III	1.00		1.00	\$ 47,412	13	SR-20
4/10/2010	TAX105BC	118024	Perm	A	Tax Clerk	1.00		1.00	\$ 31,212	03	SR-12
4/23/2010	TAX105BC	026778	Perm	A	Tax Clerk	1.00		1.00	\$ 26,778	03	SR-12
6/1/2010	TAX105BA	011265	Perm	A	Secretary II	1.00		1.00	\$ 46,176	03	SR-14
6/1/2010	TAX150BB	011526	Perm	A	Accountant III	1.00		1.00	\$ 57,780	13	SR-20
6/16/2010	TAX107AA	104170	Perm	A	Director of Taxation	1.00		1.00	\$ 108,972	00	SR-NA
6/16/2010	TAX107AA	104171	Perm	A	Deputy Director	1.00		1.00	\$ 100,248	00	SR-NA
7/1/2010	TAX100EK	047882	Perm	A	Delinquent Tax Coll Asst I	1.00		1.00	\$ 49,932	03	SR-15
7/1/2010	TAX105BA	043583	Temp	A	Tax Clerk	1.00		1.00	\$ 31,212	03	SR-12
7/1/2010	TAX105BA	118230	Temp	A	Office Assistant III	1.00		1.00	\$ 26,700	03	SR-08
7/10/2010	TAX100CK	038686	Exempt	A	Criminal Investigator	1.00		1.00	\$ 51,656	73	SR-NA
8/14/2010	TAX105BC	118239	Temp	A	Tax Clerk	1.00		1.00	\$ 30,036	03	SR-12
9/1/2010	TAX100CH	117460	Perm	A	Tax Returns Examiner III	1.00		1.00	\$ 46,176	03	SR-17
9/1/2010	TAX105BA	026777	Perm	A	Cashier II	1.00		1.00	\$ 37,968	03	SR-12
10/1/2010	TAX105BC	001612	Perm	A	Office Assistant III	1.00		1.00	\$ 25,668	03	SR-08
10/18/2010	TAX100CP	011875	Perm	A	Auditor V	1.00		1.00	\$ 67,488	13	SR-24
10/18/2010	TAX100EO	033459	Perm	A	Delinquent Tax Coll Asst I	1.00		1.00	\$ 36,516	03	SR-15
10/18/2010	TAX100EO	004407	Perm	A	Delinquent Tax Coll Asst I	1.00		1.00	\$ 36,516	03	SR-15
10/18/2010	TAX100EO	011398	Perm	A	Delinquent Tax Coll Asst I	1.00		1.00	\$ 46,176	03	SR-15
10/18/2010	TAX100EO	117466	Perm	A	Delinquent Tax Coll Asst I	1.00		1.00	\$ 35,064	03	SR-15
11/10/2010	TAX105BB	001468	Perm	A	Account Clerk III	1.00		1.00	\$ 28,836	03	SR-11

Department of Taxation

Table 13

New Hires

<u>New Hire Effective</u>		<u>Position</u>	<u>Perm/</u>			<u>Budgeted</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Actual</u>		
<u>Date</u>	<u>Prog ID/Org</u>	<u>Number</u>	<u>Temp</u>	<u>MOF</u>	<u>Position Title</u>	<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>	<u>BU Code</u>	<u>SR Level</u>
9/1/2010	TAX100CH	117460	Perm	A	Tax Returns Examiner III	1.00	\$ 46,176.00	1.00	\$ 46,176	03	SR-17
7/10/2010	TAX100CK	038686	Exempt	A	Criminal Investigator	1.00	\$ 61,656.00	1.00	\$ 51,656	73	SR-NA
12/5/2009	TAX100CK	001621	Perm	A	Tax Clerk	1.00	\$ -	1.00	\$ 32,424	03	SR-12
10/31/2009	TAX100CO	001623	Perm	A	Tax Assessor I	1.00	\$ 67,896.00	1.00	\$ 67,896	35	EM-03
7/1/2009	TAX100CO	004418	Perm	A	Tax Returns Examiner II	1.00	\$ 36,516.00	1.00	\$ 48,048	03	SR-15
7/30/2009	TAX100CO	117456	Perm	A	Tax Returns Examiner II	1.00	\$ 41,040.00	1.00	\$ 41,040	03	SR-17
7/1/2009	TAX100CO	003690	Perm	A	Tax Returns Examiner III	1.00	\$ -	1.00	\$ 48,048	03	SR-15
7/1/2009	TAX100CO	001534	Perm	A	Tax Returns Examiner III	1.00	\$ -	1.00	\$ 56,172	03	SR-15
7/1/2009	TAX100CO	011504	Perm	A	Tax Returns Examiner IV	1.00	\$ 58,440.00	1.00	\$ 58,440	04	SR-20
7/1/2009	TAX100CO	001500	Perm	A	Tax Returns Examiner IV	1.00	\$ 63,204.00	1.00	\$ 63,204	04	SR-20
7/1/2009	TAX100CO	001506	Perm	A	Tax Returns Examiner IV	1.00	\$ 39,480.00	1.00	\$ 63,204	04	SR-20
10/18/2010	TAX100CP	011875	Perm	A	Auditor V	1.00	\$ 67,488.00	1.00	\$ 67,488	13	SR-24
11/1/2009	TAX100EH	001598	Perm	A	Supervising Tax Clerk II	1.00	\$ 51,936.00	1.00	\$ 51,936	04	SR-17
7/1/2010	TAX100EK	047882	Perm	A	Delinquent Tax Coll Asst I	1.00	\$ 49,932.00	1.00	\$ 49,932	03	SR-15
11/21/2009	TAX100EM	001457	Perm	A	Delinquent Tax Coll Asst I	1.00	\$ -	1.00	\$ 37,968	03	SR-13
10/18/2010	TAX100EO	033459	Perm	A	Delinquent Tax Coll Asst I	1.00	\$ 36,516.00	1.00	\$ 36,516	03	SR-15
10/18/2010	TAX100EO	004407	Perm	A	Delinquent Tax Coll Asst I	1.00	\$ 36,516.00	1.00	\$ 36,516	03	SR-15
10/18/2010	TAX100EO	011398	Perm	A	Delinquent Tax Coll Asst I	1.00	\$ 46,176.00	1.00	\$ 46,176	03	SR-15
10/18/2010	TAX100EO	117466	Perm	A	Delinquent Tax Coll Asst I	1.00	\$ 35,064.00	1.00	\$ 35,064	03	SR-15
11/14/2009	TAX100EO	001450	Perm	A	Tax Clerk	1.00	\$ 31,212.00	1.00	\$ 38,988	03	SR-12
12/1/2009	TAX105BA	001556	Perm	A	Cashier II	1.00	\$ -	1.00	\$ 37,968	03	SR-12
12/1/2009	TAX105BA	041713	Perm	A	Cashier II	1.00	\$ -	1.00	\$ 41,040	03	SR-12
12/1/2009	TAX105BA	000165	Perm	A	Cashier II	1.00	\$ -	1.00	\$ 37,968	03	SR-12
12/1/2009	TAX105BA	041714	Perm	A	Cashier II	1.00	\$ 37,968.00	1.00	\$ 35,064	03	SR-12
9/1/2010	TAX105BA	026777	Perm	A	Cashier II	1.00	\$ 37,968.00	1.00	\$ 37,968	03	SR-12
7/1/2009	TAX105BA	005764	Perm	A	Clerical Supervisor II	1.00	\$ -	1.00	\$ 39,480	04	SR-12
12/31/2009	TAX105BA	002766	Perm	A	Doc Processing Ops Mgr	1.00	\$ 82,128.00	1.00	\$ 82,128	23	SR-26
7/7/2009	TAX105BA	049981	Temp	A	Management Analyst II	1.00	\$ 36,024.00	1.00	\$ 38,988	13	SR-18
7/1/2009	TAX105BA	118228	Temp	A	Office Assistant III	1.00	\$ -	1.00	\$ 26,700	03	SR-08
7/1/2009	TAX105BA	038688	Temp	A	Office Assistant III	1.00	\$ 27,756.00	1.00	\$ 25,668	03	SR-08
7/1/2010	TAX105BA	118230	Temp	A	Office Assistant III	1.00	\$ 26,700.00	1.00	\$ 26,700	03	SR-08
8/1/2009	TAX105BA	001455	Perm	A	Office Assistant IV	1.00	\$ 41,040.00	1.00	\$ 41,040	03	SR-10
6/1/2010	TAX105BA	011265	Perm	A	Secretary II	1.00	\$ 46,176.00	1.00	\$ 46,176	03	SR-14

Department of Taxation
New Hires

Table 13

<u>New Hire Effective</u>		<u>Position</u>	<u>Perm/</u>			<u>Budgeted</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Actual</u>	<u>BU Code</u>	<u>SR Level</u>
<u>Date</u>	<u>Prog ID/Org</u>	<u>Number</u>	<u>Temp</u>	<u>MOF</u>	<u>Position Title</u>	<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>		
12/1/2009	TAX105BA	047884	Perm	A	Tax Clerk	1.00	\$ -	1.00	\$ 31,212	03	SR-12
7/1/2010	TAX105BA	043583	Temp	A	Tax Clerk	1.00	\$ 31,212.00	1.00	\$ 31,212	03	SR-12
11/10/2010	TAX105BB	001468	Perm	A	Account Clerk III	1.00	\$ 28,836.00	1.00	\$ 28,836	03	SR-11
9/30/2009	TAX105BC	001559	Perm	A	Cashier II	1.00	\$ -	1.00	\$ 39,480	03	SR-12
7/1/2009	TAX105BC	049973	Temp	A	Office Assistant III	1.00	\$ -	1.00	\$ 26,700	03	SR-08
7/1/2009	TAX105BC	049969	Temp	A	Office Assistant III	1.00	\$ -	1.00	\$ 25,668	03	SR-08
10/1/2010	TAX105BC	001612	Perm	A	Office Assistant III	1.00	\$ 25,668.00	1.00	\$ 25,668	03	SR-08
9/16/2009	TAX105BC	118451	Perm	A	Tax Clerk	1.00	\$ 35,064.00	1.00	\$ 31,212	03	SR-12
4/10/2010	TAX105BC	118024	Perm	A	Tax Clerk	1.00	\$ 31,212.00	1.00	\$ 31,212	03	SR-12
8/14/2010	TAX105BC	118239	Temp	A	Tax Clerk	1.00	\$ 30,036.00	1.00	\$ 30,036	03	SR-12
4/23/2010	TAX105BC	026778	Perm	A	Tax Clerk	1.00	\$ 30,036.00	1.00	\$ 26,778	03	SR-12
7/1/2009	TAX105BC	118505	Temp	A	Tax Information Technician	0.50	\$ -	0.50	\$ 33,756	03	SR-15
12/1/2009	TAX105EO	118610	Perm	A	Delinquent Tax Coll Asst I	1.00	\$ -	1.00	\$ 35,064	03	SR-15
8/1/2009	TAX107AA	117972	Exempt	A	Admin Rules Specialist	1.00	\$ 50,000.00	1.00	\$ 69,360	73	SR-NA
12/1/2009	TAX107AA	102248	Temp	A	Admin Rules Specialist	1.00	\$ 64,895.00	1.00	\$ 64,896	73	SR-NA
7/8/2009	TAX107AA	104171	Perm	A	Deputy Director	1.00	\$ 100,248.00	1.00	\$ 100,248	00	SR-NA
6/16/2010	TAX107AA	104171	Perm	A	Deputy Director	1.00	\$ 100,248.00	1.00	\$ 100,248	00	SR-NA
6/16/2010	TAX107AA	104170	Perm	A	Director of Taxation	1.00	\$ 108,972.00	1.00	\$ 108,972	00	SR-NA
12/12/2009	TAX107AA	118524	Perm	A	Personnel Clerk III	1.00	\$ 27,756.00	1.00	\$ 28,836	63	SR-09
12/31/2009	TAX107AC	042361	Perm	A	Info Technology Specialist	1.00	\$ -	1.00	\$ 47,412	13	SR-20
12/1/2009	TAX107AD	009861	Perm	A	Tax Resrch & Plang Office	1.00	\$ 109,932.00	1.00	\$ 109,932	35	EM-07
12/1/2009	TAX150BA	026777	Perm	A	Cashier II	1.00	\$ 37,968.00	1.00	\$ 33,756	03	SR-12
6/1/2010	TAX150BB	011526	Perm	A	Accountant III	1.00	\$ 57,708.00	1.00	\$ 57,780	13	SR-20

Department of Taxation
Reduction in Force (RIF) Actions

Table 14

<u>Prog ID/Org</u>	<u>Position #</u>	<u>Position Title</u>	<u>MOF</u>	<u>FTE</u>	<u>Current Comp Rate</u>	<u>Position Salary Decrease</u>	<u>Position Salary Increase</u>	<u>Comp Freq (Mo/Hr)</u>	<u>SR Level</u>	<u>BU</u>	<u>Perm/ Temp</u>	<u>Placement Action</u>	<u>Reason</u>
		NONE											

Department of Taxation
Grievances

Table 15

<u>Prog ID/Org</u>	<u>Position Number</u>	<u>Position Title</u>	<u>MOF</u>	<u>FTE</u>	<u>SR</u> <u>Level</u>	<u>BU</u>	<u>Perm/</u> <u>Temp</u>	<u>RIF Date</u>	<u>Grievance Date</u>	<u>Current Status</u>
TAX100CK	001621	Tax Clerk	A	1.00	SR-12	03	Perm	12/5/2009	1/27/2010	Class Action - Pending
TAX100CO	047884	Tax Clerk	A	1.00	SR-12	03	Perm	12/1/2009	1/27/2010	Class Action - Pending
TAX100EM	001457	Delinquent Tax Coll. Assistant I	A	1.00	SR-15	03	Perm	11/21/2009	1/27/2010	Class Action - Pending
TAX100EO	118610	Delinquent Tax Coll. Assistant I	A	1.00	SR-15	03	Perm	12/1/2009	1/27/2010	Class Action - Pending
TAX100EO	001450	Tax Clerk	A	1.00	SR-12	03	Perm	11/16/2009	1/27/2010	Class Action - Pending
TAX105BA	001559	Cashier II	A	1.00	SR-12	03	Perm	9/30/2009	1/27/2010	Class Action - Pending
TAX105BA	041714	Cashier II	A	1.00	SR-12	03	Perm	12/1/2009	1/27/2010	Class Action - Pending
TAX105BA	026777	Cashier II	A	1.00	SR-12	03	Perm	12/1/2009	1/27/2010	Class Action - Pending
TAX105BA	001556	Cashier II	A	1.00	SR-12	03	Perm	12/1/2009	1/27/2010	Class Action - Pending
TAX105BA	041713	Cashier II	A	1.00	SR-12	03	Perm	12/1/2009	1/27/2010	Class Action - Pending
TAX105BA	000165	Cashier II	A	1.00	SR-12	03	Perm	12/1/2009	1/27/2010	Class Action - Pending
TAX107AC	042361	Information Technology Specialist III	A	1.00	SR-20	13	Perm	12/31/2009	1/27/2010	Class Action - Pending

Department of Taxation
Expenditures Exceeding Federal Fund Ceiling

Table 16

<u>Prog ID</u>	<u>Appropriation Ceiling</u>	<u>Ceiling Increase</u>	<u>Date of Increase</u>	<u>Reason for Exceeding Ceiling</u>	<u>Recurring (Y/N)</u>	<u>GF Impact (Y/N)</u>	<u>ARRA?</u>
NONE							

Department of Taxation
Intradepartmental Transfers

Table 17

<u>From Prog ID</u>	<u>To Prog ID</u>	<u>Amount Transferred</u>	<u>Date of Transfer</u>	<u>Reason for Transfer</u>	<u>Recurring (Y/N)</u>
TAX 107	TAX 100	\$ 251,252.97	6/30/2010	To cover payroll To cover payroll (\$92,951.07) and other current expense	N
TAX 107	TAX 105	\$ 106,674.35	6/30/2010	(\$13,723.28)	N

Department of Taxation
CIP Summary

Table 18

Priority	Project Title	FY12 \$\$\$	FY13 \$\$\$	MOF
1	Keelikolani Bldg, Air Conditioner upgrade for the Tax Department's Computer Room, Oahu	\$ 330,000.00	\$ -	C

Department of Taxation
CIP Requests to the New Administration

Table 19

<u>Priority</u>	<u>Project Title</u>	<u>FY12 \$\$\$</u>	<u>FY13 \$\$\$</u>	<u>MOF</u>
NONE				

Department of Taxation
Organizational Chart

Table 20

<u>Year of Change</u>	<u>Page Number</u>	<u>Description of Change</u>
<u>FY11/FY12</u>	<u>Page Number</u>	<u>Description of Change</u>
FY11	1	Removal of Natural Disaster Claims Commission - Technical correction. Commission has been dissolved.
FY11	5	Reallocation of authorized levels for positions 1528, 1609, 36733, 47886, 110184, 118675, 118676 from Management Analyst III/SR-20 to Management Analyst IV/SR-22
FY11	5	Footnote indicating positions 1528, 1609, 110184 and 118676 are assigned to the Compliance Division
FY11	5	Footnote indicating positions 10930, 36733, 47886, and 118675 are assigned to the Tax Services and Processing Division
FY11	11	Change pseudo number 10005T to position 120118. Change title from Delinquent Tax Collections Coordinator to Taxation Compliance Coordinator. Position established, position description updated, and position classified.
FY11	12	Change pseudo number 10001T to position 120114. Position established.
FY11	12	Change pseudo number 10002T to position 120115. Position established.
FY11	12	Change pseudo number 10003T to position 120116. Position established.
FY11	12	Change pseudo number 10004T to position 120117. Position established.

Note: Does not include proposed Tax Services and Processing reorganization that is currently in consultation.