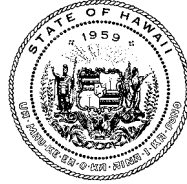


NEIL ABERCROMBIE  
GOVERNOR

BRIAN SCHATZ  
LT. GOVERNOR



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**DEPARTMENT OF TAXATION**  
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FREDERICK D. PABLO  
DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR  
DEPUTY DIRECTOR

**LATE TESTIMONY**

To: The Honorable Jill Tokuda, Chair,  
and Members of the Senate Committee on Education

Date: Friday, February 10, 2012  
Time: 1:15 P.M.  
Place: Conference Room 225, State Capitol

From: Frederick D. Pablo, Director  
Department of Taxation

Re: S.B. 2969 Relating to Early Learning

The Department of Taxation (Department) appreciates the intent of S.B. 2969, but is opposed to the bill due to the impact it will have on the Department's limited budget and staffing resources, if adopted.

S.B. 2969 proposes to allow taxpayers, with an income tax refund of \$25 or more, an option to designate \$25 (or \$50 in case of a joint return) to the newly established early learning trust fund.

While the Department understands and appreciates the intent of this bill, the Department cannot support any request which will require changes to its forms and computer system, unless the changes are essential for taxpayer compliance. As the Legislature is aware, the Department has an outdated computer system with significant functionality issues. Staffing resources necessary to develop and implement modifications to the system also are insufficient. As a result, the Department's limited resources must be prioritized to address other significant projects that will occur over the next few years, and respectfully request that no new projects be imposed on the Department.

Thank you for the opportunity to provide comments.