

DAVID Y. IGE  
GOVERNOR

DOUGLAS S. CHIN  
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA  
DIRECTOR

DAMIEN A. ELEFANTE  
DEPUTY DIRECTOR

**STATE OF HAWAII  
DEPARTMENT OF TAXATION**

830 PUNCHBOWL STREET, ROOM 221  
HONOLULU, HAWAII 96813

<http://tax.hawaii.gov/>  
Phone: (808) 587-1540 / Fax: (808) 587-1560  
Email: Tax.Directors.Office@hawaii.gov

To: The Honorable Donovan M. Dela Cruz, Chair  
and Members of the Senate Committee on Ways and Means

Date: Tuesday, March 13, 2018  
Time: 10:00 A.M.  
Place: Conference Room 211, State Capitol

From: Linda Chu Takayama, Director  
Department of Taxation

Re: H.B. 1652, Relating to Non-General Funds

The Department of Taxation (Department) supports H.B. 1652 and offers the following comments for the Committee's consideration.

H.B. 1652 abolishes various non-general fund and accounts as recommended by the Office of the Auditor in its Report No. 17-10 and transfers the unencumbered balances to the general fund. The bill is effective July 1, 2018. Specifically, the bill abolishes the following fund and accounts:

- The est/adm license and permit tobacco and cigarette special fund;
- The IRS refund intercept trust account;
- The special enforcement section collections trust account; and
- The taxes payable to counties – fuel trust accounts.

The Department agrees with the Auditor's recommendation that this fund and these accounts should be closed as they are no longer used by the Department. The Department is able to administratively close them and is currently in the process of doing so. Any remaining balances will be transferred to the general fund.

Thank you for the opportunity to provide testimony.