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# A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF TAXATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that having an efficient  
2 and effective tax department is essential to keeping up with the  
3 fast-paced changes in our economy and the tax administration  
4 landscape.

5       The purpose of this Act is to increase the efficiency of  
6 tax administration and protect state revenues through a no-cost  
7 internal reorganization of certain functions and offices of the  
8 department of taxation to address aging accounts receivable and  
9 quality control.

10       SECTION 2. To effectively address aging accounts  
11 receivable, a new division to be known as the "tax collection  
12 program" shall be established within the department of taxation  
13 from the existing Oahu collection branch that is located within  
14 the compliance division of the department of taxation. The tax  
15 collection program shall report to the director of taxation.  
16 The tax collection program shall be assigned a new program  
17 identification number, TAX103.



1       SECTION 3. To effectively address quality control and  
2 business analysis issues, the current quality control office is  
3 renamed as the "business analysis section" and placed within the  
4 system administration office of the department of taxation.

5       SECTION 4. This Act does not affect the rights, duties, or  
6 compensation of employees of the divisions of the department of  
7 taxation affected by this Act, except as otherwise provided by  
8 this Act.

9       All employees who occupy civil service positions and whose  
10 functions are transferred or reorganized within the department  
11 of taxation by this Act shall retain their civil service status,  
12 whether permanent or temporary. Employees shall be transferred  
13 without loss of salary, seniority (except as prescribed by  
14 applicable collective bargaining agreements), retention points,  
15 prior service credit, any vacation and sick leave credits  
16 previously earned, and other rights, benefits, and privileges,  
17 in accordance with state personnel laws and this Act; provided  
18 that the employees possess the minimum qualifications and public  
19 employment requirements for the class or position to which  
20 transferred or appointed, as applicable; provided further that



1 subsequent changes in status may be made pursuant to applicable  
2 civil service and compensation laws.

3 Any employee who, prior to this Act, is exempt from civil  
4 service and is transferred as a consequence of this Act may  
5 retain the employee's exempt status, but shall not be appointed  
6 to a civil service position as a consequence of this Act. An  
7 exempt employee who is transferred by this Act shall not suffer  
8 any loss of prior service credit, vacation or sick leave credits  
9 previously earned, or other employee benefits or privileges as a  
10 consequence of this Act; provided that the employees possess  
11 legal and public employment requirements for the position to  
12 which transferred or appointed, as applicable; provided further  
13 that subsequent changes in status may be made pursuant to  
14 applicable employment and compensation laws. The director of  
15 taxation may prescribe the duties and qualifications of these  
16 employees and fix their salaries without regard to chapter 76,  
17 Hawaii Revised Statutes.

18 SECTION 5. This Act shall take effect upon its approval.



**Report Title:**

DOTAX; Tax Administration

**Description:**

Makes certain no-cost organizational changes within the Department of Taxation. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

