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**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 2489, Relating to Tax Administration.

BEFORE THE:

House Committee on Finance

DATE: Wednesday, February 21, 2024

TIME: 2:00 p.m.

LOCATION: State Capitol, Room 308

Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee:

The Department of Taxation ("Department") strongly supports H.B. 2489, an Administration measure, and offers the following comments for your consideration.

H.B. 2489 would add senior software developers with the Department to the list of positions exempt from State civil service in section 76-16, Hawaii Revised Statutes (HRS). The bill is effective upon approval.

The Department notes that it has been extremely challenging to recruit and retain experienced software developers who are able to perform complex system changes, as the experience and skillset needed to perform this type of work, and the commensurate salary, exceed what is currently provided by civil service. By creating a category of exempt senior software developers, the Department will be able to attract and retain skilled employees, thereby lessening the impact caused by vacancies, creating a long-term career path for software developers to remain with the State, and decreasing the Department's reliance on contracted services.

Thank you for the opportunity to provide testimony in support of this measure.