

NEIL ABERCROMBIE
GOVERNOR

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

FREDERICK D. PABLO
DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR
DEPUTY DIRECTOR

September 2011

Dear Taxpayer:

The State of Hawaii continues to face dwindling revenues and increasing demands for critical public services. During the 2011 legislative session, lawmakers looked at a number of ways to address the disparity, resulting in the adoption of various tax law changes which raise rates on existing taxes, and reduce exemptions and deductions for individuals and businesses.

One of the many changes adopted is the suspension of twenty-three general excise and six use tax exemptions for a two-year period ending June 30, 2013. This new law, also known as Act 105, Session Laws of Hawaii 2011, went into effect on July 1, 2011.

In order to provide comprehensive information for determining the impact of Act 105 on businesses, this new law requires the Department of Taxation to gather information from all taxpayers who have exemptions or deductions from the general excise and use tax.

Our records show that your organization claimed an exemption or deduction for tax year ending in 2009. If you claimed an exemption or deduction for tax year ending in 2010, **you are required to file a new form, Schedule GE-1, Survey of General Excise Tax Exemptions and Deductions, by December 1, 2011.**

Where and How to File

In order to have the response from the business community electronically compiled and timely available for the start of the next Legislative Session, this form is to be filed exclusively by means of electronic filing at www.ehawaii.gov/efile. If you don't have an account at ehawaii.gov, you must first register and create an account.

A separate form **must** be filed for each Hawaii Tax I.D. Number. If your organization has multiple Hawaii Tax I.D. Numbers for General Excise/Use Tax, a separate Schedule GE-1 must be filed for each tax account number.

What Information Do I Need to File Schedule GE-1?

Please have the following information ready –

Company Profile

- Name of Organization
- Hawaii Tax ID No., and FEIN or SSN
- Address, Contact Person, Phone Number, and E-mail Address

Business Activity

- North American Industry Classification System (NAICS) six digit code (*as reported on your business registration form BB-1 and/or on your income tax return*) (NAICS website: <http://www.census.gov/epcd/naics07/naics07-6.xls>)
- Number of years your organization has been in business
- Amount of the world-wide gross proceeds or gross income received by the

- organization for tax year 2010 (from your Federal income tax return)
- Amount of gross proceeds or gross income received by your organization from its activities in Hawaii for tax year 2010 (from your Form G-49)

Hawaii Workforce of the Organization

- Total number of full-time and part-time permanent employees in Hawaii during the week that includes December 12th of the tax year
- Average annual wage for all full-time permanent employees
- Number of full-time and part-time permanent employees reported above into the appropriate wage bands, as computed on an annualized basis, such as:
 - Less than \$30,000
 - \$30,000 - \$59,999
 - \$60,000 - \$99,999
 - \$100,000 or more
- Total number of temporary or seasonal workers used by the organization in Hawaii during tax year 2010
- Duration of employment of temporary or seasonal workers
 - 0 – 30 days
 - 31 – 60 days
 - 61 – 90 days
 - 91 days or more

General Excise Tax Exemptions/Deductions

- Total amount of the exemptions and deductions your organization claimed on Form G-49 (Line 36) for tax year 2010
- Amount of exemption/deduction claimed under each section of the law

Period Covered by this Form

The Schedule GE-1 is for tax years ending in 2010, 2011, and 2012.

Form Due Date

For any tax year ending on or **before July 31, 2011**, the due date is **December 1, 2011**. For tax years ending **after July 31, 2011**, this form will be due when your Form G-49 (Annual Return and Reconciliation of General Excise/Use Tax Return) is due.

Thank you for your cooperation in this matter. Information gathered from this survey will be used to better analyze the impact of this law on our community. If you have any further questions or need clarification regarding this matter, please contact our offices at:

Oahu District Office: (808) 587-4242, or toll-free at 1-800-222-3229
Maui District Office: (808) 984-8500
Hawaii District Office: (808) 974-6321
Kauai District Office: (808) 274-3456

Sincerely,



FREDERICK D. PABLO
Director of Taxation