

**State Department of
Taxation Notification
of \$9.9 Million GET
Transmittal Error**

Table 1. 0.5% City & County of Honolulu Surcharge Tax (Gross Collections)

Quarter	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
1st Quarter (July-Sep)	* n/a	49,559,210	47,088,040	47,932,284	46,334,795	51,555,089	39,470,987
2nd Quarter (Oct-Dec)	* n/a	45,149,975	42,058,412	41,679,067	39,079,365	44,569,618	46,183,282
3rd Quarter (Jan-Mar)	14,214,993	44,422,575	43,906,543	44,767,632	58,213,196	53,615,524	61,430,531
4th Quarter (Apr-June)	39,589,876	48,772,186	45,676,025	40,683,105	55,382,270	52,209,762	
Total	53,804,869	187,903,946	178,729,020	175,062,088	199,009,626	201,949,993	147,084,800
Year-to-Year % Change	n/a	n/a	-5%	-2%	14%	1%	-2%

Table 2. 0.5% C&C of Honolulu Surcharge Tax Liability as Reported on GET Returns

Quarter	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
1st Quarter (July-Sep)	n/a	43,524,114	44,999,371	43,195,597	45,219,155	49,054,861	52,386,668
2nd Quarter (Oct-Dec)	n/a	49,468,014	47,585,523	47,989,407	49,743,175	54,883,571	50,299,531
3rd Quarter (Jan-Mar)**	39,732,572	43,174,137	41,081,344	42,273,061	45,452,627	49,575,788	10,327,222
4th Quarter (Apr-June)	44,715,209	46,740,047	43,003,225	45,010,746	48,492,648	52,969,601	
Total	84,447,781	182,906,312	176,669,463	178,468,811	188,907,605	206,483,821	113,013,421
Year-to-Year % Change	n/a	6%	-3%	1%	6%	9%	-1%

Table 3. 4% GET Liability (Statewide) as Reported on GET Returns

Quarter	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
1st Quarter (July-Sep)	n/a	564,173,771	566,149,740	522,323,812	540,774,947	592,700,595	639,012,449
2nd Quarter (Oct-Dec)	n/a	641,644,139	596,639,310	583,585,771	603,067,597	672,443,924	615,675,463
3rd Quarter (Jan-Mar)**	564,173,771	566,561,994	513,691,206	521,060,587	558,512,543	619,893,419	130,917,491
4th Quarter (Apr-June)	641,644,139	597,216,067	526,208,279	547,298,147	586,486,654	650,478,696	
Total	1,205,817,910	2,369,595,971	2,202,688,535	2,174,268,317	2,288,841,741	2,535,516,634	1,385,605,403
Year-to-Year % Change	n/a	-3%	-7%	-1%	5%	11%	-1%

Table 4. General Excise Returns Processed

Quarter	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
1st Quarter (July-Sep)	n/a	272,489	323,309	298,879	396,911	273,787	261,220
2nd Quarter (Oct-Dec)	n/a	199,792	238,434	240,324	188,077	207,614	198,196
3rd Quarter (Jan-Mar)***	271,281	355,300	339,821	343,176	334,639	397,074	331,367
4th Quarter (Apr-June)	374,013	293,660	315,402	303,507	390,230	285,934	
Total	645,294	1,121,241	1,216,966	1,185,886	1,309,857	1,164,409	790,783
Year-to-Year % Change	n/a	1%	9%	-3%	10%	-11%	-10%

*While conducting our FY 2012 year end audits, a coding error was discovered which reported an overstatement of the county surcharge tax in December 2011 (FY 2012) of \$9.9 million. This error was then corrected in July 2012 (FY 2013), resulting in a reduction of the county surcharge tax of \$9.9 million. For statistical purpose, the December 2011 figure was adjusted down by \$9.9 million, and July 1, 2012 was adjusted up by \$9.9 million.

**Source: GET returns processed as of March 14, 2013.

***Source: GET returns processed as of March 31, 2013

Prepared for Wesley Machida, Director, Hawaii State Department of Budget and Finance in response to testimony given re SB 19 on February 12, 2015 to Senate Committees on Transportation and Public Safety, Intergovernmental and Military Affairs.