



DEPARTMENT OF TAXATION

News Release

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**ACT 113 NOTIFICATION LETTERS SENT TO
AFFECTED HAWAI'I EMPLOYERS**

HONOLULU—The State Department of Taxation has mailed letters regarding new tax payment requirements to approximately 2,300 employers who last year withheld more than \$40,000 in state income tax from their employees' wages.

Beginning in 2005, Act 113, Session Laws of Hawai'i 2004, requires employers who withhold more than \$40,000 in state income tax per year from their employees' wages to deposit the tax withheld semiweekly instead of with their monthly withholding tax returns.

Semiweekly deposits generally must be made by electronic funds transfer (EFT). Employers who are not already making payments by EFT should file registration Form EFT-1, Authorization Agreement for Electronic Funds Transfer, as soon as possible. A 2% penalty may be imposed if a taxpayer required to pay by EFT fails to do so.

Additional information is provided in Tax Information Release No. 2004-01 (attached). Form EFT-1, Form VP-1, and Tax Information Release No. 2004-01 can be obtained at

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any district tax office, by calling a 24-hour request line at 808-587-7572 (toll-free at 1-800-222-7572), or by visiting the department's Web site at www.state.hi.us/tax.

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