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January 14, 2016

Thomas Yamachika, President
Tax Foundation of Hawaii
126 Queen Street, Suite 304
Honolulu, HI 96813

RE: Request to initiate rules projects

Dear Mr. Yamachika:

I have reviewed your December 21, 2015 letter requesting the Rules Office to initiate certain administrative rules drafting projects and to compile existing administrative rules. I appreciate your requests, please accept my response provided below.

The Rules Office is currently developing administrative rules on the exported services exemption from general excise tax and the use tax on imported services. The Rules Office is also currently drafting administrative rules relating to the motion picture and television film production income tax credit. At this time projects to promulgate both sets of rules have been initiated, however, both sets are in draft form and neither is ready for public review.

The Rules Office will initiate a project to update the administrative rules relating to general excise tax on contracting. If the Department determines the rules require updating, the Department will pursue the update as the Department's resources and priorities allow. The Rules Office is currently seeking advice from the Department of the Attorney General as to what satisfies the requirement to compile administrative rules every ten years. After receiving this advice, if the Department determines it is required to initiate a project to comply with the requirement to compile administrative rules, the Department will do so.

The Rules Office welcomes any further correspondence the Tax Foundation may have.

A handwritten signature in blue ink, appearing to read "Ted S. Shiraishi".

Ted S. Shiraishi
Administrative Rules Officer