

TAX FOUNDATION O F H A W A I I

126 Queen Street, Suite 304, Honolulu, Hawaii 96813, Telephone 536-4587, www.tfhawaii.org

OFFICERS

Manoj Samaranayake
Chair

Ronald I. Heller
Vice Chair

Thomas Yamachika
President/Secretary

Kenneth L. Rhodes
Vice President/Treasurer

October 16, 2018

Rules Office
Hawaii Department of Taxation
830 Punchbowl Street, Room 221
Honolulu, HI 96813

Re: **Comments on Proposed Rule Relating to Last Known Address
Public Hearing: Oct. 19, 2018**

BOARD OF DIRECTORS

Dennis Brown
Helen Chang
Brent Flygar
Ronald I. Heller
Michael Kam
Ross Kohara
Cyrus Oda
Lon K. Okada
Michael J. O'Malley
Ku'uhaku Park
Randall Roth
Manoj Samaranayake
Glenn Shigetomi
Lauralei Tanaka
Kieran Yap

EXECUTIVE ADVISORY BOARD OF DIRECTORS

Meredith J. Ching
Roger H. Epstein
Richard Henderson
Richard R. Kelley

Ladies and Gentlemen:

Thank you for allowing us to comment on the above captioned proposed rule.

We appreciate that the rule as proposed allows the Department some flexibility to determine last known address from information available to the Department from various sources.

We think that the rule should clarify that "last known address" does not necessarily mean the taxpayer's actual address but instead means the last address that the taxpayer makes known to the Department. The meaning of this phrase is important, and taxpayers should be aware of their need to update their address with the Department to receive tax refund checks and important notices.

Along this line, we instead recommend an approach taken in Treas. Reg. §301.6212-2 and Rev. Proc. 90-18, 1990-1 C.B. 491, namely that a last known address is the address that appears on the taxpayer's most recently filed and properly processed tax return, unless the Department is given clear and concise notification of a different address in a manner prescribed by the Department. In that manner, the Department can avoid dismissals of proper deficiency notices such as occurred in *Abeles v. Commissioner*, 91 T.C. 1019 (1988) (Court reviewed), *acq.*, 1989-2 C.B. 1.

Thank you for the opportunity to submit comments.

Very truly yours,



Thomas Yamachika
President