



STATE PROCUREMENT OFFICE
OF HAWAII

STATE PROCUREMENT OFFICE
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS

- 1. TO: Chief Procurement Officer
- 2. FROM: Sandi Yahiro, Dept. of Taxation

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:

Provide system testing of computer programming prior to putting the build into production to implement SB1327, Act 40, SLH2009. System testing helps to ensure that development in accordance with system requirements was achieved, prior to the new development being placed into production. This helps to assure that day-to-day operations are achieved and that basic functionality is not compromised.

4. Name of Vendor: CGI Technologies and Solutions, Inc.
Address: 4000 Legato Rd., Fairfax, Virginia 22033

5. Price:
\$30,000.00

6. Term of Contract: From: 6/9/09 To: 8/12/09

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: The Dept of Taxation (DOTAX) must implement Act 40, SLH2009. Act 40 has a retroactive date of Jan. 1, 2009 and reduces the interest rate that the State must pay on tax refunds. DOTAX has been given a very short time period to implement this law and DOTAX requires vendor assistance with system testing to be able to implement Act 40 by July 1, 2009 (note: although the law is retroactive to 1/1/09, 7/1/09 is the soonest DOTAX can implement it). Because the vendor has been working with DOTAX for several years and has intimate knowledge of DOTAX's computer system, requirements, data bases and testing tools, they would be able to provide the system testing with no start-up or training time. We have been advised that a new vendor would require a tremendous amount of start-up and training time to become familiar enough with our computer system to provide the needed services. If we had to procure a new vendor we would not be able to implement the law by 7/1/09.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
DOTAX wishes to utilize CGI for reasons stated in #8 above.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
The Deputy Director of the Department will be involved in oversight of this service.

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:		
Name	Position	Involvement in Process
Sandi Yahiro	Deputy Director	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Ronald Randall	Compliance Div. Chief	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Joan Bolte	Taxpayer Services & Proc. Div Ch	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Robert Su	IT Chief	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to:	Department: Tax Contact Name: Sandi Yahiro Phone Number: 587-1527 Fax Number: 587-1560
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Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*

S Yahiro
6/9/09

 Department Head Date

Reserved for SPO Use Only	
	15. Date Notice Posted <u>6/9/09</u>
The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to: <ul style="list-style-type: none"> Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119 	
Chief Procurement Officer's comments: <p style="margin-left: 40px;"> This approval is granted based on the understanding that DOTAX must implement SB 1327, Act 40, SLH2009 by July 1, 2009. DOTAX has determined the use of CGI Technologies, because of the company's extensive knowledge of the department's computer system, data bases, and testing tools. Another vendor would require a lengthy start-up or training period before implementation could begin. Any delay would result in the department's inability to implement the law. This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply. </p>	

16. APPROVED DISAPPROVED NO ACTION REQUIRED

Alanus S. Fujita
6/22/09

 Chief Procurement Officer Date



GOV. MSG. NO. 656

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

May 5, 2009

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on May 5, 2009, the following bill was signed into law:

SB1327 SD1 HD1

A BILL FOR AN ACT
RELATING TO THE RATE OF INTEREST
APPLICABLE TO OVERPAYMENTS OF TAX.

ACT 040 (09)

Sincerely,



LINDA LINGLE

Approved by the Governor
on MAY 5 2009

THE SENATE
TWENTY-FIFTH LEGISLATURE, 2009
STATE OF HAWAII

ACT 040

S.B. NO. 1327
S.D. 1
H.D. 1

A BILL FOR AN ACT

RELATING TO THE RATE OF INTEREST APPLICABLE TO OVERPAYMENTS OF
TAX.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 231-23, Hawaii Revised Statutes, is
2 amended by amending subsection (d) to read as follows:

3 "(d) This subsection shall apply to a refund for an
4 overpayment of a tax.

5 (1) If the tax return as filed by a taxpayer shows the
6 amount already paid, whether or not on the basis of
7 installments, exceeds the amount determined to be the
8 correct amount of the tax due, and the taxpayer
9 requests a refund of the overpayment, the amount of
10 overpayment together with interest, if any, shall be
11 refunded in the manner provided in subsection (c).
12 The interest shall be allowed and paid at the rate of
13 [~~two-thirds~~] one-third of one per cent for each month
14 or fraction thereof, beginning with the first calendar
15 day after the due date of the return or, if the return
16 is filed after the prescribed due date, the first
17 month following the month the return is received, and

SB1327 HD1 HMS 2009-3637



1 continuing until the date that the director approves
2 the refund voucher. If the director approves the
3 refund voucher within ninety days from the due date or
4 the date the return is received, whichever is later,
5 and the comptroller of the State sends the taxpayer a
6 refund warrant within forty-five days from the date of
7 the director's approval, no interest on the
8 overpayment [~~will~~] shall be allowed or paid. However,
9 if either the director or the comptroller exceeds the
10 time allowed herein, interest will be computed from
11 the first calendar day after the due date of the
12 return or from the first month following the month the
13 return is received by the director if the return is
14 filed after the prescribed due date, until the date
15 that the comptroller sends the refund warrant to the
16 taxpayer.

- 17 (2) If any overpayment of taxes results or arises from (A)
18 the taxpayer filing an amended return, or from (B) a
19 determination made by the director and [~~such~~] the
20 overpayment is not shown on the original return as
21 filed by the taxpayer, interest on the overpayment
22 shall be allowed and paid from the first calendar day



1 after the due date of the original return or, if the
2 original return is filed after the prescribed due
3 date, the first month following the month the return
4 is received, to the date that the director signs the
5 refund voucher. If the comptroller does not send the
6 refund warrant to the taxpayer within forty-five days
7 after the director's approval, interest will continue
8 until the date that the comptroller sends the refund
9 warrant to the taxpayer.

10 (3) For purposes of a net income tax return, if any
11 overpayment of any taxes results from a carryback of a
12 net operating loss, the overpayment shall be deemed to
13 have been made at the close of the taxable year in
14 which the net operating loss arises. To the extent
15 that the carryback of net operating loss results in
16 reducing the amount of underpayment of taxes for prior
17 taxable year or years, interest [~~which~~] that would be
18 chargeable because of the underpayment shall not be
19 applicable with respect to that amount or amounts
20 [~~which~~] that are carried back.

21 (4) In the case of credit, interest shall be allowed and
22 paid from the first calendar day after the due date of



1 the return, the first month following the month the
2 return is received by the director, or the date of
3 payment, whichever is later, to the date the credit is
4 taken; provided that the director may make a refund of
5 any credit to a taxpayer where the taxpayer has no
6 underpayment against which to apply the credit."

7 SECTION 2. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 3. This Act shall ~~take effect~~ upon its approval
10 and shall apply to claims for refund made on or after ~~January 1,~~
11 ~~2009.~~

APPROVED this 5 day of MAY, 2009



GOVERNOR OF THE STATE OF HAWAII