



HSCPA

Hawaii Society of
Certified Public Accountants

April 7, 2020

**YOUR ATTENTION
IS REQUESTED**

The Honorable David Ige
The Honorable Ronald Kouchi
The Honorable Donovan Dela Cruz
The Honorable Scott Saiki
The Honorable Sylvia Luke

To Our Honorable Hawaii Leaders:

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The Hawaii Society of CPAs commends you for delaying the April 20 filing and payment deadline for individuals and corporations to July 20 in response to the COVID-19 pandemic.

However, we are writing to express our concern that given the unprecedented spread of COVID-19 – and the importance of prioritizing everyone’s health and safety in our state – that all upcoming tax filing and payment deadlines have not been delayed. The IRS has appropriately but significantly curtailed much of its operations for the health and safety of its employees and taxpayers. We believe it is impractical, if not impossible, for taxpayers and their advisors to continue business as usual when IRS’s own operations are minimally operable.

The accounting profession has urged Treasury and the IRS to immediately expand the tax-related relief to all types of returns and payments due between March 3 and July 15.

As stated in our March 27, 2020 correspondence, we would like to re-emphasize the numerous outstanding issues affecting Hawaii taxpayers and tax advisors:

- **Hawaii match the Federal tax relief** by postponing the 2020 first quarter **estimated** tax payments to July 20, 2020. Without this change, tax preparers still need to prepare a draft 2019 return to determine what is due for the first quarter or compute the actual first quarter income for 2020. By not matching the IRS and extending the 2020 first quarter estimated tax payments to July 20th it creates a huge burden on Hawaii taxpayers and tax preparers.
- **Relief Should Extend to All Deadlines: Postpone all deadlines and provide additional time to make payments.** Taxpayers who do not have an April 20th payment or filing date are inherently disadvantaged and would similarly benefit from a deferral. They and their advisors need additional time for filings, tax payments, estimated taxes and gathering pertinent information to include in those filings or payment calculations.

State of Hawaii Leaders
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- **Relief Should Apply to All Filers and Types of Tax:** Provide appropriate filing and payment relief for all filers and taxpayers (including tax-exempt organizations and fiscal year corporations) for tax returns, information returns, elections, claims for refund and other correspondence. Relief should also apply broadly to all types of taxes (including payroll, excise tax, estate, gift and generations-skipping transfer tax, etc.). Deferment of other taxes that are not income taxes is necessary to aid both businesses and their employees.
- **Deferment of any cash outlays, especially for small and medium sized businesses, will help them survive during this crisis. Cash is the most important resource that a company utilizes on a day-to-day basis as working capital to pay employees and restock inventory. Without cash, companies would be forced to cease operating and close their doors.**

While we immediately need broad relief until July 20, we continue to urge Treasury and IRS to develop a contingency plan for the next phase of relief should that be needed. As a country, we should not risk anyone's life to meet tax filing obligations.

Sincerely,



Darryl Nitta, President
Board of Directors



Kathy Castillo
Executive Director

cc: Rona Suzuki, Director of Taxation