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GOVERNOR



BONNIE KAHAKUI
ACTING ADMINISTRATOR

STATE OF HAWAII
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August 9, 2021

PROCUREMENT CIRCULAR NO. 2022-04

TO: Office of the Governor, Chief Operating Officer
Office of the Lieutenant Governor, Chief of Staff
Executive Department Heads
Hawaii State Public Library System, State Librarian

Chief Procurement Officers: (CPOs)
Department of Education, Superintendent
University of Hawaii, President
Office of Hawaiian Affairs, Chairperson of the Board
Judiciary, Administrative Director of the Courts
Senate, President
House of Representatives, Speaker

Counties of Hawaii, Kauai, and Maui, and City & County of Honolulu
Executive Branch, Finance Director
Legislative Branch, City/County Council Chair
Board/Departments of Water Supply, Manager/Chief Engineer
Honolulu Authority for Rapid Transportation, Executive Director

CC: Administrative Services Offices

FROM: Bonnie Kahakui, Acting Administrator *Bonnie A Kahakui*

SUBJECT: Governor Emergency Proclamation, August 5, 2021, Exempts IRS Tax Clearance

Pursuant to the [Governor's Emergency Proclamation](#), signed August 5, 2021, §103-53, Hawaii Revised Statutes (HRS), Internal Revenue Service (IRS) tax clearances are suspended with conditions.

Section 103-53, HRS, **contracts with the State or counties; tax clearances, assignments**, and section 103D-310(c), **responsibility of offerors**, only to the extent necessary to waive the Internal Revenue Service (IRS) tax clearance requirement. Due to COVID-19, the IRS has been unable to provide federal tax clearances timely and currently, there are approximately 1000 such requests pending with the IRS. Without a federal tax clearance, prospective contractors are unable to obtain a Hawai'i Compliance Express certificate and are unable to enter or receive final payments on contracts with the State and counties.

The IRS status may be shown as “Submitted,” “Pending,” or “Not Compliant,” resulting in a Hawaii Compliance Express (HCE) “Not Compliant” status. A “Not Compliance” status is acceptable for final payment or contract award provided the vendor is “Compliant” or “Exempt” with the Hawaii Department of Taxation, Hawaii Department of Commerce & Consumer Affairs, and the Hawaii Department of Labor & Industrial Relations.

SAMPLE

Issue Date: **06/24/2021**

Status: **Not Compliant**

Hawaii Tax#:

New Hawaii Tax#:

FEIN/SSN#: XX-XXXXXXX

UI#: No record

DCCA FILE#:

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
8821	Internal Revenue Service	Pending 
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards compliance
Pending	A status determination has not yet been made
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information

Should there be any questions, procurement personnel may contact Kevin Takaesu at (808) 586-0568, or email kevin.s.takaesu@hawaii.gov. Or you may contact me at (808) 587-4701 or at bonnie.a.kahakui@hawaii.gov,