



Does your business involve "cash" transactions?

In July 2009, the Department of Taxation formed the Special Enforcement Section (SES). The highest priority of the SES is to ensure that all Hawaii taxpayers pay their fair share and to prevent the shortchanging of those who comply with Hawaii tax laws.

Hawaii law authorizes the SES to enforce Hawaii tax laws through the issuance of cease and desist citations, which can include **substantial monetary fines**.

Failure to:

A violation of this provision results in a fine not to exceed:



1. Produce license upon demand

1. \$500 for most persons
\$1,000 for cash-based businesses

2. Obtain a GE license

2. \$500 for most persons
\$2,000 for cash-based businesses



3. Keep adequate books and records

3. \$1,000 for most persons
\$2,000 for cash-based businesses

4. Record transaction

It is unlawful to conduct more than 10 business transactions per day and fail to:

- (1) Offer a receipt or other record of the transaction, and
- (2) Maintain a contemporaneously generated record of all business transactions conducted each day, whether hand written or generated by a manually operated or electronic cash register.

Each day a person is in violation of this section shall be treated as a separate violation.

4. \$1,000 for most persons
\$2,000 for cash-based businesses



5. Tax avoidance price fixing

Persons who offer price differentials where the transaction is paid in cash may violate the offense of tax avoidance price fixing.

5. \$2,000 for most persons
\$3,000 for cash-based businesses



6. Possession of currency for tax avoidance purposes

Where a person possesses cash for the purpose of avoiding taxes, the violation of possession of currency for tax avoidance purposes occurs.

6. \$2,000 for most persons
\$3,000 for cash-based businesses



7. Interference with a tax official

7. \$2,000

For more information, please visit www.hawaii.gov/tax

Print Name _____

Signature and Date (mm/dd/yyyy) _____

Business Name: _____

Address: _____

Telephone Number: _____