



DEPARTMENT OF THE ATTORNEY GENERAL

News Release

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For Immediate Release: October 29, 2003 News Release No. 2003-58

KAUAI MAN TO SERVE FORTY-FIVE DAYS IN JAIL ON TAX CHARGES

HONOLULU-Attorney General Mark Bennett announced today that Harry H. Ikeda, 60, of Lihue, was ordered on October 17, 2003, to serve forty-five days in jail and to pay a fine of \$10,000.00 by District Court Judge Frank Rothschild. Ikeda had exhausted his legal remedies in connection with being found guilty by Judge Rothschild on October 9, 2001, of the criminal tax offenses of conducting business without a state general excise tax license and failing to file his general excise tax returns for the years 1998 and 1999. Ikeda asserted at the time of his trial that he was constitutionally exempt from state general excise taxes. Ikeda is a long-time resident of Kauai and is part operator of a well-known barbershop in Lihue. Ikeda continued to maintain his belief that he was constitutionally exempt from the state taxes through the appeal of his conviction before the Hawaii Intermediate Court of Appeals, his application for a further review by the Hawaii Supreme Court, and in a petition for post-conviction relief before Judge Rothschild seeking to overturn his sentence. All of his challenges were denied.

Attorney General Bennett explained that the state general excise tax is a tax that is uniformly applicable to all persons who conduct business in Hawaii. He has noticed a recent trend in this State of individuals seeking to avoid the reporting and payment of not only state general excise taxes, but other state taxes, based on faulty information that is being promoted as legitimate methods of tax avoidance. As was dramatically shown in Ikeda's case, following such advice led to Ikeda's conviction on criminal charges. It is everyone's obligation as a citizen or a business owner, as the case may be, to pay one's share of the cost of supporting our government. If someone approaches you with a way to avoid taxes that seems too good to be true, verify that information with a reputable tax accountant or tax lawyer.

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