



JUSTIFICATION SHEET

DEPARTMENT: Taxation

TITLE: A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE.

PURPOSE: To amend Hawaii's income tax law to conform with changes to the Internal Revenue Code.

MEANS: Amend sections 235-2.3 and 235-2.4, Hawaii Revised Statutes (HRS).

JUSTIFICATION: Section 235-2.5(c), HRS, mandates that the Department of Taxation submit to each regular session of the Legislature a bill that amends Hawaii's income tax law to conform to changes in the Internal Revenue Code. This short form bill will be modified to reflect changes made to the Internal Revenue Code by Congress.

Impact on the public: Conformity through amendments to the operative provisions of the Internal Revenue Code will minimize the burden of taxpayers to comply with the requirements of Hawaii's Income Tax Law.

Impact on the department and other agencies: Conforming Hawaii's Income Tax Law to that of the Internal Revenue Code will increase consistency between the two jurisdictions.

GENERAL FUND: Pending.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: TAX 102.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval and adopts federal effective dates.