

STAND. COM. REP. NO.

707

Honolulu, Hawaii

MAR 01 2007

RE: S.B. No. 1497  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1497, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE,"

begs leave to report as follows:

The purpose of this measure is to bring Hawaii tax law into compliance with changes to the Internal Revenue Code, by amending section 235-2.3(a), Hawaii Revised Statutes, relating to conformance with the Internal Revenue Code, to replace the date December 31, 2005, with December 31, 2006.


Written comments in support of this measure were submitted by the Department of Taxation. Written comments on this measure were submitted by the Tax Foundation of Hawaii.

Your Committee finds that five federal laws enacted in 2006 would affect Hawaii tax law. Updating Hawaii's tax conformance law will diminish discrepancies with regard to the application of the new federal laws as they relate to Hawaii's tax laws.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1497, S.D. 2, and recommends that it pass Third Reading.



Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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ROSALYN H. BAKER, Chair



