

Honolulu, Hawaii

FEB 15 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 Economic Development and Taxation, to which was referred S.B. No. 1497, S.D. 1, 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, to replace the date December 31, 2005, with December 31, 2006.

Testimony in support of this measure was received from the Department of Taxation.

Your Committee finds that five federal laws enacted in 2006 would affect Hawaii tax law. The Department of Taxation has provided Committee members with digests for:

- (1) The Tax Increase Prevention and Reconciliation Act of 2006. (P.L. No. 109-222; May 17, 2006);
- (2) The Heroes Earned Retirement Opportunity Act of 2006. (P.L. No. 109-227; May 29, 2006);
- (3) The Pension Protection Act of 2006. (P.L. No. 109-280; August 17, 2006);



- (4) An Act to Complete the Codification of Title 46, United States Code, "Shipping", as positive law. (P.L. No. 109-304; October 6, 2006); and
- (5) The Tax Provisions of the Tax Relief and Health Care Act of 2006. (P.L. No. 109-432; December 20, 2006).

It is the intent of your Committee to provide for additional time to review the information related to these federal acts.

Your Committee has amended this measure accordingly, by inserting an effective date of July 1, 2060, for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1497, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 1497, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Taxation,


CAROL FUKUNAGA, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Economic Development and Taxation
EDT

Bill / Resolution No.:*	Committee Referral:	Date:
<i>SB 1497 SDI</i>	<i>EDT, WAM</i>	<i>2/13/07</i>

The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
ESPERO, Will (VC)	✓			
ENGLISH, J. Kalani				✓
IGE, David Y.	✓			
SLOM, Sam	✓			
TOTAL	<i>4</i>			<i>1</i>

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature: *Will Espero*

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*Only one measure per Record of Votes