

Honolulu, Hawaii

Feb 26, 2010

RE: H.B. No. 2594
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2594, H.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 bill is to amend Hawaii's income tax law by conforming it to changes made to the Internal Revenue Code for calendar year 2009.

The Department of Taxation and Island Pacific Energy testified in support of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Adding language to conform judgments in disputed tax cases against the State to federal law by decreasing the interest rate on monies held by the Litigated Claims Fund to three percent; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

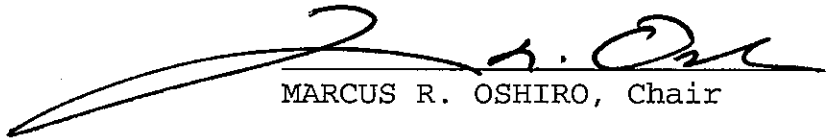
As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No.

HB2594 HD2 HSCR FIN HMS 2010-2125



2594, H.D. 1, as amended herein, and recommends that it pass
Second Reading in the form attached hereto as H.B. No. 2594, H.D.
2, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



