
HOUSE CONCURRENT RESOLUTION

REQUESTING A STUDY OF THE FAIRNESS OF HAWAII TAXATION LAW WITH REGARD TO ITEMIZED DEDUCTIONS, ESPECIALLY IN LIGHT OF THE RECENT ENACTMENT OF THE AMERICAN TAXPAYER RELIEF ACT OF 2012.

1 WHEREAS, on June 9, 2011, the Governor of the State of
2 Hawaii approved Act 97, Session Laws of Hawaii 2011, which
3 addressed deductions on Hawaii State income tax returns; and
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5 WHEREAS, the aforementioned Act 97 placed permanent
6 limitations on who may make certain itemized deductions for all
7 taxable years commencing after 2010; and
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9 WHEREAS, the aforementioned Act 97 also placed temporary
10 limitations on the amounts of itemized deductions that a person
11 may make for taxable years commencing after 2010 and ending
12 before 2016; and
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14 WHEREAS, on January 2, 2013, the President of the United
15 States approved the American Taxpayer Relief Act of 2012; and
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17 WHEREAS, while addressing a broad array of taxation issues,
18 the Taxpayer Relief Act also implements its own phase-outs and
19 limitations on itemized deductions; and
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21 WHEREAS, the taxation law language of the Hawaii Revised
22 Statutes normally adopts the language of the Internal Revenue
23 Code, except to the extent that Hawaii lawmakers choose to
24 insert different language into the Statutes; and
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26 WHEREAS, itemized deductions allowable under the Internal
27 Revenue Code include such items as:
28

- 29 (1) Medical and Dental Expenses;
30 (2) State income taxes;
31 (3) Sales Taxes;
32 (4) Real Estate Taxes;



- 1 (5) Personal Property Taxes;
- 2 (6) Home Mortgage Interest;
- 3 (7) Mortgage Insurance Premiums;
- 4 (8) Investment Interest;
- 5 (9) Charitable Gifts;
- 6 (10) Casualty and Theft Losses;
- 7 (11) Job Expenses;
- 8 (12) Unreimbursed Employee Expenses;
- 9 (13) Tax Preparation Fees; and
- 10 (14) Gambling Losses; and
- 11

12 WHEREAS, the Governor and members of the Legislature are
13 the policymakers who have the discretion, through the passage of
14 laws, to increase or decrease the availability of the use of
15 itemized deductions on state income tax returns; now, therefore,
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17 BE IT RESOLVED by the House of Representatives of the
18 Twenty-seventh Legislature of the State of Hawaii, Regular
19 Session of 2013, the Senate concurring, that the Department of
20 Taxation is requested to study the fairness of Hawaii taxation
21 law with regard to itemized deductions, especially in light of
22 the recent enactment of the American Taxpayer Relief Act of
23 2012; and
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25 BE IT FURTHER RESOLVED that, more specifically, the authors
26 of the study are requested to consider:

- 27
- 28 (1) The repeal of Act 97, Session Laws of Hawaii 2011,
29 retroactive to all taxable years commencing after
30 2010;
- 31 (2) The feasibility of bringing current Hawaii taxation
32 law regarding itemized deductions into greater
33 conformity with the language of the Internal Revenue
34 Code;
- 35 (3) The impact of current Hawaii taxation law's impact on
36 those who take itemized deductions, with a particular
37 emphasis on those who take itemized deductions for:
38 (A) Casualty and Theft Losses;
39 (B) Gambling Losses;
40 (C) Investment Interest; and
41 (D) Medical and Dental Expenses; and
42 (4) Any other relevant factors; and
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1 BE IT FURTHER RESOLVED that the Department of Taxation is
2 requested to submit a report to the Legislature no later than
3 twenty days prior to the convening of the Regular Session of
4 2014, containing the results of the study, including any
5 proposed legislation; and

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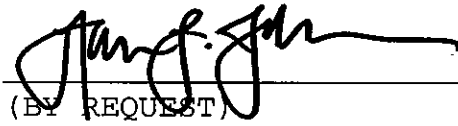
7 BE IT FURTHER RESOLVED that a certified copy of this
8 Concurrent Resolution be transmitted to the Director of
9 Taxation.

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OFFERED BY:



(BY REQUEST)

MAR 13 2013

