
HOUSE 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:
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- 29 (1) Medical and Dental Expenses;
- 30 (2) State income taxes;
- 31 (3) Sales Taxes;
- 32 (4) Real Estate Taxes;
- 33 (5) Personal Property Taxes;
- 34 (6) Home Mortgage Interest;
- 35 (7) Mortgage Insurance Premiums;



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

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

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- 24 (1) The repeal of Act 97, Session Laws of Hawaii 2011,
25 retroactive to all taxable years commencing after
26 2010;
- 27 (2) The feasibility of bringing current Hawaii taxation
28 law regarding itemized deductions into greater
29 conformity with the language of the Internal Revenue
30 Code;
- 31 (3) The impact of current Hawaii taxation law's impact on
32 those who take itemized deductions, with a particular
33 emphasis on those who take itemized deductions for:
34 (A) Casualty and Theft Losses;
35 (B) Gambling Losses;
36 (C) Investment Interest; and
37 (D) Medical and Dental Expenses; and
38 (4) Any other relevant factors; and
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40 BE IT FURTHER RESOLVED that the Department of Taxation is
41 requested to submit a report to the Legislature no later than
42 twenty days prior to the convening of the Regular Session of
43 2014, containing the results of the study, including any
44 proposed legislation; and



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

OFFERED BY:



(BY REQUEST)

MAR 13 2013

