

STAND. COM. REP. NO.

556

Honolulu, Hawaii

FEB 28 2013

RE: S.B. No. 1188

S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1188 entitled:

"A BILL FOR AN ACT RELATING TO THE ESTATE AND GENERATION-SKIPPING TRANSFER TAXES,"

begs leave to report as follows:

The purpose and intent of this measure is to make technical, nonsubstantive corrections to the Estate and Generation-Skipping Transfer Tax Reform Act to make clear that a decedent who was in a civil union or recognized equivalent under the laws of the State would have the amount of any transfer tax due to the State computed as if the civil union or recognized equivalent were recognized as a marriage under the Internal Revenue Code.

Your Committee received testimony in support of this measure from the Department of Taxation.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that Act 220, Session Laws of Hawaii 2012, enacted the Estate and Generation-Skipping Transfer Tax Reform Act, designated as chapter 236E, Hawaii Revised Statutes, that established the estate and generation-skipping transfer taxes based on the valuations, deduction, and expenses allowed for federal transfer tax purposes, but with tax rates independent of the federal transfer taxes. Your Committee also finds that this measure makes technical corrections to ensure that the provisions

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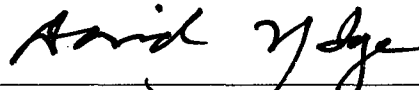
of the Estate and Generation-Skipping Transfer Tax Reform Act apply to decedents in a civil union or recognized equivalent as they apply to decedents of a marriage.

Your Committee has amended this measure by:

- (1) Clarifying that the measure makes amendments to chapter 236E, Hawaii Revised Statutes, rather than Act 220, Session Laws of Hawaii 2012;
- (2) Making corrections to accurately reflect the text of sections 236E-6 and 236E-7, Hawaii Revised Statutes; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and style.

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. 1188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1188, S.D. 1, and be placed on the calendar for Third Reading.

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



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 1188	Committee Referral: WAM	Date: 2-12-13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert				✓
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.				✓
SLOM, Sam	✓			
TOTAL	11	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes