

STAND. COM. REP. NO.

1463

Honolulu, Hawaii

April 5, 2013

RE: S.B. No. 1203
S.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1203, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII
ESTATE AND GENERATION-SKIPPING TRANSFER TAX LAW TO THE
INTERNAL REVENUE CODE,"

begs leave to report as follows:

The purpose of this measure is to conform the Hawaii estate and generation-skipping transfer tax law to the Internal Revenue Code.

The Department of Taxation testified in support of this measure. The Tax Foundation of Hawaii submitted comments on the measure.

According to section 236E-5, Hawaii Revised Statutes, the intent of the Hawaii estate and generation-skipping transfer tax law is to conform as closely as possible to the Internal Revenue Code. Pursuant to this goal, provisions of sections 236E-3 and 236E-4, Hawaii Revised Statutes, are designed to incorporate amendments to the Internal Revenue Code that are made as of the end of the preceding calendar year.

However, your Committee finds that due to protracted "fiscal cliff" negotiations, amendments to the Internal Revenue Code were not enacted before the end of the past calendar year and, instead, were enacted on January 2, 2013. To reflect the late enactment of

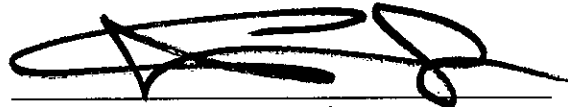
SB1203 SD1 HSCR LRB 13-2125.doc



Internal Revenue Code amendments and the stated intent of section 236E-5, Hawaii Revised Statutes, the amendments to the estate and generation-skipping transfer tax law should conform to the version of the Internal Revenue Code as amended on January 2, 2013.

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 S.B. No. 1203, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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



SYLVIA LUKE, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

Record of Votes of the Committee on Finance

Table with 3 columns: Bill/Resolution No.: SB1203 SD1, Committee Referral: FIN, Date: 03/14/13

The committee is reconsidering its previous decision on the measure.

The recommendation is to: [X] Pass, unamended (as is) [] Pass, with amendments (HD) [] Hold [] Pass short form bill with HD to recommit for future public hearing (recommit)

Table with 5 columns: FIN Members, Ayes, Ayes (WR), Nays, Excused. Lists 17 members with handwritten checkmarks in the Ayes column and a total of 17 in the final row.

The recommendation is: [X] Adopted [] Not Adopted
If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: [Handwritten Signature]

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