



# H.B. NO. 974

**Report Title:**

Income Tax; Conformity to certain Internal Revenue Code Provisions; Public Law 112-240

**Description:**

Provides a vehicle for conforming amendments to the Hawaii income tax law based upon amendments to the Internal Revenue Code made by Public Law 112-240.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Taxation

TITLE: A BILL FOR AN ACT RELATING TO INCOME TAX LAW.

PURPOSE: To amend Hawaii's income tax law to conform with changes to the Internal Revenue Code made by Public Law 112-240, also known as the American Taxpayer Relief Act of 2012.

MEANS: Amend Chapter 235, Hawaii Revised Statutes (HRS), by adding a new section.

JUSTIFICATION: Public Law 112-240 was signed by the President of the United States and enacted on January 2, 2013. These amendments cannot be conformed to under section 235-2.3, HRS, because that section conforms to the Internal Revenue Code as it exists on December 31 of the previous year.

Note: The Department is in the process of making recommendations as to which Internal Revenue Code amendments made by Public Law 112-240 Hawaii should conform to.

Impact on the public: Conformity through amendments to the operative provisions of the Internal Revenue Code will minimize the burden on taxpayers to comply with the requirements of Hawaii's income tax law.

Impact on the department and other agencies: Conforming Hawaii's income tax law to that of the Internal Revenue Code will increase consistency between the state and federal jurisdictions.

GENERAL FUND: Pending.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: None.

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OTHER AFFECTED  
AGENCIES:

None.

EFFECTIVE DATE:

Upon approval.