

Honolulu, Hawaii
February 28, 2014

RE: H.B. No. 2000
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2000 entitled:

"A BILL FOR AN ACT RELATING TO TAX RELIEF,"

begs leave to report as follows:

The purpose of this measure is to amend the state income tax law to make the following Internal Revenue Code provisions fully operative in this State:

- (1) Section 172 (with respect to net operating loss deductions); and
- (2) Section 179 (with respect to the election to expense certain depreciable business assets).

The Department of Taxation provided testimony in opposition to this measure. The Tax Foundation of Hawaii provided comments on this measure.

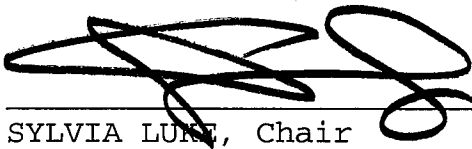
Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, for the purpose of facilitating further discussion; and
- (2) Making technical, nonsubstantive amendments.



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 H.B. No. 2000, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2000, H.D. 1, and be placed on the calendar for Third Reading.

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



SYLVIA LUNT, Chair



