

Honolulu, Hawaii

APR 03 2014

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

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2000, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend state income tax law to conform to federal law with respect to net operating loss deductions and the election to expense certain depreciable business assets.

The Chamber of Commerce of Hawaii provided testimony in support of this measure. The Department of Taxation testified in opposition to this measure. The Tax Foundation of Hawaii and 1978 "Conventional People" provided comments.

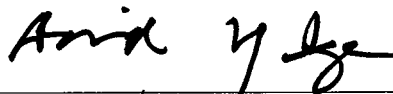
Your Committee finds that, under current law, sections 172 (with respect to net operating loss deductions) and 179 (with respect to election to expense certain depreciable business assets) of the Internal Revenue Code are not fully operative for Hawaii income tax purposes. This measure is intended to amend state income tax law to fully conform to these Internal Revenue Code provisions.

Your Committee has amended this measure by changing the taxable years to which the measure applies to taxable years beginning after December 31, 2050, to facilitate further discussion on the measure.



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 H.B. No. 2000, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2000, H.D. 1, 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,



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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.:* <b>HB 2000, HDI</b>	Committee Referral: <b>WAM</b>	Date: <b>3-28-14</b>		
<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	✓			
	<b>12</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office              Drafting Agency              Committee File Copy				

\*Only one measure per Record of Votes