

STAND. COM. REP. NO.

1449

Honolulu, Hawaii

April 4

, 2013

RE: S.B. No. 1188  
S.D. 1  
H.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. 1188, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to make technical nonsubstantive corrections to chapter 236E, Hawaii Revised Statutes, and clarify that the amount of any transfer tax due to the State for a decedent who was in a civil union or recognized equivalent under the laws of the State shall be computed as if the civil union or recognized equivalent were recognized as a marriage under the Internal Revenue Code.

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

Your Committee finds that Act 220, Session Laws of Hawaii 2012, enacted the Estate and Generation-Skipping Transfer Tax Reform Act, codified as chapter 236E, Hawaii Revised Statutes, to establish estate and generation-skipping transfer taxes under state law that were based upon 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

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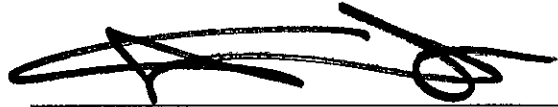


that the provisions of the Estate and Generation-Skipping Transfer Tax Reform Act apply to decedents who were in a civil union or recognized equivalent as they apply to decedents of a marriage.

Your Committee has amended this measure by making corrections to accurately reflect the text of sections 236E-6 and 236E-7, Hawaii Revised Statutes.

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. 1188, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1188, S.D. 1, 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 LUKE, Chair



