

STAND. COM. REP. NO. **560**

Honolulu, Hawaii

**FEB 28 2013**

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

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1203 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 and intent of this measure is to amend the estate and generation-skipping transfer tax law to comply with recent amendments to the Internal Revenue Code.

Prior to the public hearing on this measure, your Committee circulated for review and comment, and received testimony on, a Proposed S.D. 1.

The proposed S.D. 1 amended this measure by deleting its contents and replacing them with amendments to sections 236E-3 and 236E-4, Hawaii Revised Statutes, that account for amendments to the Internal Revenue Code made on January 2, 2013.

Your Committee received testimony in support of this measure from The Department of Taxation and the Chamber of Commerce of Hawaii. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that due to protracted "fiscal cliff" negotiations, amendments to the Internal Revenue Code were not enacted before the end of the year and, instead, were enacted on

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January 2, 2013. To reflect the stated intent of section 236E-5, Hawaii Revised Statutes, the estate and generation-skipping transfer tax law should apply the version of the Internal Revenue Code as amended on January 2, 2013. Your Committee further finds that these amendments will facilitate compliance with the tax code by taxpayers and application by the Department of Taxation.

Your Committee has amended this measure by adopting the proposed S.D. 1.

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 S.B. No. 1203, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1203, 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,

  
\_\_\_\_\_  
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.:*	Committee Referral:	Date:		
SB 1203	WAM	2-12-13		
<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>TOTAL</b>	11	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
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\*Only one measure per Record of Votes