

Honolulu, Hawaii April S , 2017 RE: S.B. No. 1002 S.D. 1 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1002, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONFORMITY TO THE INTERNAL REVENUE CODE,"

begs leave to report as follows:

The purpose of this measure is to conform Hawaii's income and estate and generation-skipping transfer tax laws to the Internal Revenue Code of 1986, as amended.

The Department of Taxation supported this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Changing the effective date to upon its approval;
- (2) Providing that the portions of the measure relating to the income tax law apply to taxable years beginning after December 31, 2016;
- (3) Providing that the portions of the measure relating to the estate and generation-skipping transfer tax apply to



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decedents dying or taxable transfers occurring after December 31, 2016; and

(4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 1002, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1002, 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



State of Hawaii House of Representatives HSCR 1590 The Twenty-ninth Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.: Co	mmittee Referral: Fl	N Date:	3-21	-2017
The committee is reconsidering its previous	decision on the measure.	· · · · · · · · · · · · · · · · · · ·		
The recommendation is to:□Pass, unam□Pass short	nended (as is) Pa	ss, with amendments (mmit for future public		
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)			n an	
2. CULLEN, Ty J.K. (VC)				
3. CACHOLA, Romy M.		-		
4. CHOY, Isaac W.				
5. DeCOITE, Lynn				
6. GATES, Cedric Asuega				
7. HOLT, Daniel				
8. KEOHOKALOLE, Jarrett				-
9. KOBAYASHI, Bertrand				
10. LoPRESTI, Matthew S.				
11. LOWEN, Nicole E.				
12. NAKAMURA, Nadine K.				
13. TOKIOKA, James Kunane				
14. QUINLAN, Sean				
15. YAMASHITA, Kyle T.				
16. TUPOLA, Andria P.L.				
17. WARD, Gene				
TOTAL (17)	15	0	0	2
The recommendation is: Adopted If joint refer	•	did not suppo	rt recommendatio	n.
Vice Chair's or designee's signature:	BA.K.	Cue	\sim	
Distribution: Original (White) – Committee	Duplicate (Yellow)	- Chief Clerk's Office	Duplicate (1	Pink) – HMSO