

STAND. COM. REP. NO.

1590

Honolulu, Hawaii

April 5, 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



