

STAND. COM. REP. NO. 1563

Honolulu, Hawaii

APR 09 2021

RE: H.B. No. 1041  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1041, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to conform state income tax law and estate and generation-skipping transfer tax law to the Internal Revenue Code of 1986, as amended as of December 31, 2020.

Your Committee received testimony in support of this measure from the Department of Taxation and one individual.

Your Committee received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee recognizes that this administrative measure serves as legislation to comply with sections 235-2.5(c) and 236E-4(c), Hawaii Revised Statutes, which require the Department of Taxation to submit to the Legislature for each Regular Session legislation to adopt the Internal Revenue Code as it exists on the December 31 preceding the Regular Session. The purpose is to conform relevant state tax laws to those changes made to the



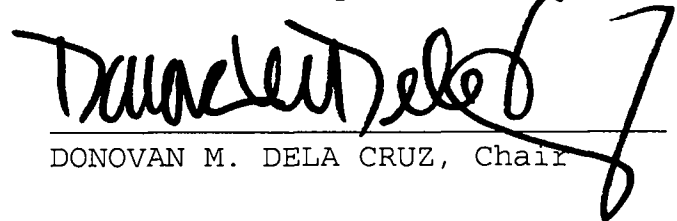
federal Internal Revenue Code during the past year, to the extent that those changes are appropriate for the State.

Your Committee has amended this measure by:

- (1) Specifying that certain provisions in the federal Internal Revenue Code of 1986, as amended, relating to exclusions from income, disaster tax relief, and retirements plans shall be operative for the purposes of state income tax law;
- (2) Changing the effective date to make the measure effective upon its approval; and
- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

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. 1041, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1041, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

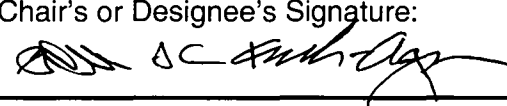
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
 Thirty-First Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>HB 1041, HD 1</i>	<i>WAM</i>	<i>3/29/21</i>		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.				X
TANIGUCHI, Brian T.				X
WAKAI, Glenn				X
FEVELLA, Kurt	X			
<b>TOTAL</b>	<i>8</i>			<i>3</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<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