

STAND. COM. REP. NO.

1798

Honolulu, Hawaii

MAR 25 , 2021

RE: S.B. No. 1240  
S.D. 1  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which  
was referred S.B. No. 1240, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX CONFORMITY,"

begs leave to report as follows:

The purpose of this measure is to require the State to  
conform to those provisions of the federal Consolidated  
Appropriations Act, 2021, relating to taxable income and  
deductible expenses.

Your Committee received testimony in support of this measure  
from Island Plastic Bags, Inc.; Hawaii Restaurant Association;  
National Federation of Independent Business; Chamber of Commerce  
Hawaii; Hawaii Automobile Dealers' Association; FCH Enterprises;  
Hawaii Food Industry Association; IL Gelato Hawaii; Kalaheo Coffee  
Co. Inc.; ABC Stores; Hawaii Association of Public Accountants; MW  
Group, Ltd.; Milici Valenti Ng Pack, Inc.; Prince Resorts Hawaii;  
Mauna Kea Resort LLC; Mauna Kea Resort Services LLC; KYD, Inc.;  
Suisan Company, Ltd.; Hawai'i Lodging & Tourism Association; Aloha  
Business Bitz, Inc.; Coconut's Fish Cafe; Retail Merchants of  
Hawaii; Maui Chamber of Commerce; T S Restaurants; Hawai'i Island  
Chamber of Commerce; Seal Masters of Hawaii; and two individuals.  
Your Committee received comments on this measure from the

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Department of Budget and Finance, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that the Consolidated Appropriations Act, 2021, Public Law 116-260, was enacted by the federal government on December 27, 2020. The federal Act, among other things, provides federal funding and stipulates federal tax treatment of certain taxable income and deductible expenses.

Your Committee has amended this measure by changing the effective date to January 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1240, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1240, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,

  
AARON LING JOHANSON, Chair



