

STAND. COM. REP. NO.

303

Honolulu, Hawaii

, 2021

FEB 17

RE: H.B. No. 1116

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 H.B. No. 1116 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 the Chamber of Commerce Hawaii, Hawai'i Restaurant Association, Island Plastic Bags Inc., Hawaii Food Industry Association, Hawai'i Lodging and Tourism Association, and Hawaii Association of Public Accountants. Your Committee received comments on this measure from the 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. This 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 its effective date to January 1, 2050, to encourage further discussion.

Your Committee notes that the Department of Taxation testified at the public hearing on this measure in which it recommended whether the State should conform to those provisions of the Consolidated Appropriations Act, 2021. Should your Committee on Finance consider this measure, your Committee requests that it give consideration to these recommendations.

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 H.B. No. 1116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1116, 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



