STAND. COM. REP. NO. 998

Honolulu, Hawaii

**FEB 28** , 2025

RE: H.B. No. 1145 H.D. 1

Honorable Nadine K. Nakamura Speaker, House of Representatives Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

## Madame:

Your Committee on Finance, to which was referred H.B. No. 1145 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 income and estate and generation-skipping transfer tax laws to the Internal Revenue Code of 1986, as amended as of December 31, 2024.

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

Your Committee finds that this annual conformity measure is submitted by the Department of Taxation to ensure state income tax and state estate and generation-skipping transfer tax laws conform to the federal Internal Revenue Code as it exists on December 31 of the preceding calendar year. This measure updates state tax laws with changes made to the federal Internal Revenue Code during the past year that are appropriate for Hawaii law.

Your Committee has amended this measure by:

- (1) Conforming to sections 1, 2, and 3 of the Federal Disaster Tax Relief Act of 2023 relating to disaster tax relief; and
- (2) Changing the effective date to July 1, 3000, to encourage further discussion.

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 H.B. No. 1145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1145, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Finance,

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KYLE T. YAMASHITA, Chair

## State of Hawaii House of Representatives The Thirty-third Legislature

## HSCR 998

## **Record of Votes of the Committee on Finance**

Bill/Resolution No.: HB 1145	Committee Referral:	Dat	- 11 - 1	25
The committee is reconsidering its previ	ous decision on the measure.			
	namended (as is) Pa	ss, with amendment mmit for future pub		
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)				
2. TAKENOUCHI, Jenna (VC)			Mari Humase OASS	
3. GRANDINETTI, Tina Nakada				
<ul><li>4. HOLT, Daniel</li><li>5. HUSSEY, Ikaika</li></ul>				
6. KEOHOKAPU-LEE LOY, Sue L				di periodi
7. KITAGAWA, Lisa				
8. KUSCH, Matthias				
9. LAMOSAO, Rachele F.				
10. LEE, Mike				
11. MIYAKE, Tyson K.				
12. MORIKAWA, Dee				The second secon
13. TEMPLO, Shirley Ann		Property (Alberta)		
14. ALCOS III, David	3. 32			
15. REYES ODA, Julie				
16. WARD, Gene				
TOTAL (16)	12			φ
The recommendation is: Adopte If joint ref	<u> </u>	did not suppo	ort recommendation.	
Vice Chair's or designee's signature:	7	70~	Y	
Distribution: Original (White) – Committee	e Duplicate (Yellow) –	Chief Clerk's Office	Duplicate (Pi	nk) – HMSO