

Honolulu, Hawaii

April 12, 2010RE: H.B. No. 2866
H.D. 1
S.D. 1
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2866, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to, among other things:

- (1) Establish a tax on the transfer of a taxable estate located in Hawaii by a nonresident who is not a citizen of the United States;
- (2) Amend the definition of "Internal Revenue Code" to include certain federal tax principles; and
- (3) Ensure the State's ability to capture or "pick-up" the state death tax credit as it existed in the Internal Revenue Code on December 31, 2000.

HB2866 CD1 HCCR HMS 2010-3171



Your Committee on Conference has amended this bill by:

- (1) Specifying that a decedent shall be entitled to all applicable exclusion or exemption amounts as determined under the Internal Revenue Code as of December 31, 2009, before being subject to any taxes, including up to a \$3,500,000 applicable exclusion amount;
- (2) Applying the provisions of the bill to the estate of any individual who dies after April 30, 2010, rather than after March 31, 2010; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2866, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2866, H.D. 1, S.D. 1, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE

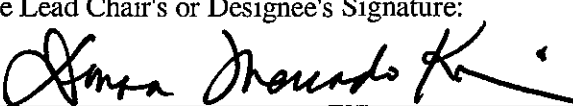
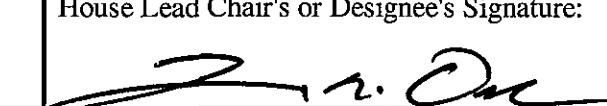

DONNA MERCADO KIM, Chair


MARCUS R. OSHIRO, Chair



Hawaii State Legislature
Record of Votes of a
Conference Committee

CCR 3-10

Bill / Concurrent Resolution No.: HB 2866, HD 1, SD 1					Date/Time: April 10, 2010 11:30				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KIM, Donna Mercado, Chr.	✓				OSHIRO, Marcus R., Chr.	✓			
KOKUBUN, Russell S.	✓				CHONG, Pono	✓			
HEMMINGS, Fred				✓	CHOY, Isaac W.	✓			
					LEE, Marilyn B.	✓			
TOTAL	2	0	0	1	TOTAL	4	0	0	0
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature: 					House Lead Chair's or Designee's Signature: 				
Distribution:		Original	Yellow	Pink			Goldenrod		
		File with Conference Committee Report	House Clerk's Office	Senate Clerk's Office			Drafting Agency		