

STAND. COM. REP. NO.

1525

Honolulu, Hawaii

April 10

, 2015

RE: S.B. No. 1133
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1133, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE,"

begs leave to report as follows:

The purpose of this measure is to update references in section 235-2.4, Hawaii Revised Statutes, relating to the operation of certain Internal Revenue Code provisions adopted into state income tax law, to conform more closely with the Internal Revenue Code of 1986, as amended as of December 31, 2014.

The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by clarifying the adopted state income tax treatment of Internal Revenue Code section 529A Qualified ABLE programs, with respect to the treatment of additional tax for distributions not used for disability expenses.

SB1133 HD1 HSCR FIN HMS 2015-2776



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 S.B. No. 1133, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1133, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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



SYLVIA LUKE, Chair



