

STAND. COM. REP. NO.

280

Honolulu, Hawaii

FEB 17 , 2021

RE: H.B. No. 1041
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 Economic Development, to which was referred
H.B. No. 1041 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, 2020.

Your Committee received testimony in support of this measure
from the Department of Taxation. Your Committee received comments
on this measure from the 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 the
December 31st preceding each Regular Session. The purpose of
conformity is to update the state tax laws with those changes made
to the federal Internal Revenue Code during the past year and to
adopt those changes that are appropriate for Hawaii law.

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

2021-1560 HB1041 HD1 HSCR HMSO



As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1041, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,



SEAN QUINLAN, Chair



