

STAND. COM. REP. NO.

3438

Honolulu, Hawaii

APR 04 2008

RE: H.B. No. 3191
H.D. 1
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 3191, H.D. 1, 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 Hawaii's tax law to conform to the latest amendments to the Internal Revenue Code.

Your Committee received testimony in support of this measure from the Department of Taxation. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that Hawaii income tax law is based in large part, on the Internal Revenue Code. Except for a few exceptions, this measure conforms Hawaii tax law to the latest amendments to the Internal Revenue Code.

Your Committee has amended the measure by:

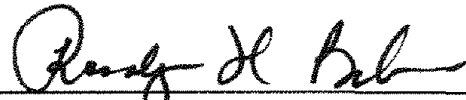
- (1) Changing the reference to 2007 to 2006 with respect to section 179 deductions under the Internal Revenue Code; and
- (2) Adding a provision that retroactive and prospective effective dates contained in congressional acts relating to the Internal Revenue Code and enacted during 2007



shall be operative for chapter 235, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3191, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3191, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



