STAND. COM. REP. NO. 612

Honolulu, Hawaii

Apr:19 , 2009

RE: S.B. No. 971

S.D. 2

H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 971, S.D. 2, 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 bill is to conform state tax law to certain amendments to the Internal Revenue Code for calendar year 2008. In addition, this bill imposes the state income tax on employer paid pension income, except for the first \$50,000 each year.

The Department of Taxation, Military Officers Association of America, Hawaii Chapter, Tax Foundation of Hawaii, and a concerned individual commented on this bill.

Your Committee has amended this bill by:

- (1) Deleting the provision to make employer paid pension income subject to the state income tax;
- (2) Making certain penalty provisions under the Internal Revenue Code operative under state tax law;
- (3) Changing the effective date to July 1, 2009; and

SB971 HD1 HSCR FIN HMS 2009-3599

2

(4) Making technical, nonsubstantive changes for style, clarity, and consistency.

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. 971, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 971, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

MARCUS R. OSHIRO, Chair

State of Hawaii House of Representatives The Twenty-fifth Legislature

HSCR 1612

Record of Votes of the Committee on Finance

SB 97, SD2 Committee	Referral:	V Dat	e April 3,	2009 5,2009
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)				
2. LEE, Marilyn B. (VC)				
3. AQUINO, Henry J.C.				
4. AWANA, Karen Leinani				<i></i>
5. BROWER, Tom	V			
6. CHOY, Isaac W.				
7. COFFMAN, Denny	V			
8. HAR, Sharon E.	V			
9. KEITH-AGARAN, Gilbert S.C.				~
10. LEE, Chris	V			
11. NISHIMOTO, Scott Y.	V			
12. SAGUM, Roland D., III	v			
13. TOKIOKA, James Kunane	v			
14. WOOLEY, Jessica				
15. YAMASHITA, Kyle T.	~			
16. PINE, Kymberly Marcos	V			
17. WARD, Gene				
				*
TOTAL (47)	, _			
TOTAL (17)	15			7
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: Marif 3. Lee				
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