Honolulu, Hawaii

Fe 526, 2010

RE: H.B. No. 2594 H.D. 2

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 2594, H.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 bill is to amend Hawaii's income tax law by conforming it to changes made to the Internal Revenue Code for calendar year 2009.

The Department of Taxation and Island Pacific Energy testified in support of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Adding language to conform judgments in disputed tax cases against the State to federal law by decreasing the interest rate on monies held by the Litigated Claims Fund to three percent; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 H.B. No.

HB2594 HD2 HSCR FIN HMS 2010-2125



2594, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2594, H.D. 2, 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

Record of Votes of the Committee on Finance

HB2594, HD1	Committee	Referral:	D	2/22/	10
☐ 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)		V			
2. LEE, Marilyn B. (VC)					
3. AQUINO, Henry J.C.					
4. AWANA, Karen Leinani					
5. BROWER, Tom		/			
6. CHOY, Isaac W.					
7. COFFMAN, Denny					
8. HAR, Sharon E.					
9. KEITH-AGARAN, Gilbert S.C.					
10. LEE, Chris	NHSUP IL III S = 0			TO SIGN ASSESSMENT HUBBLE STATE	
11. NISHIMOTO, Scott Y.					
12. SAGUM, Roland D., III					
13. TOKIOKA, James Kunane					
14. WOOLEY, Jessica	Sogne = Good	V	Daniel Van Sto		
15. YAMASHITA, Kyle T.					
16. FINNEGAN, Lynn		/			
17. WARD, Gene		V			
TOTAL (17)		17	Ó	0	0
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature: Maif 3. Lee					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					