STAND. COM. REP. NO. 1152

Honolulu, Hawaii

MAR 0 1 , 2019

RE: H.B. No. 1041

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Finance, 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 align state tax laws with updated provisions of federal law by:

- (1) Conforming Hawaii's income and estate and generationskipping transfer tax laws to the Internal Revenue Code of 1986, as amended as of December 31, 2018; and
- (2) Effectuating federal tax benefits for opportunity zone investments and limiting those benefits to investments in opportunity zones designated by the Governor.

The Department of Taxation submitted testimony in support of this measure. Tax Foundation of Hawaii provided comments.

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. 1041 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SYLVIA LUKE, Chair

State of Hawaii
House of Representatives
The THIRTIETH Legislature

HSCR 1152

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB1041 Commit	ttee Referral: H	Date	2/28/19	
☐ 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. LUKE, Sylvia (C)				
2. CULLEN, Ty J.K. (VC)			- 10 10 10 10	
3. ELI, Stacelynn K.M.				
4. GATES, Cedric Asuega				
5. HASHIMOTO, Troy N.				
6. HOLT, Daniel				
7. KITAGAWA, Lisa				
8. KOBAYASHI, Bertrand				
9. MATAYOSHI, Scot Z.				
10. NAKAMURA, Nadine K.				
11. NISHIMOTO, Scott Y.				
12. TODD, Chris			VI - IFM	
13. WILDBERGER, Tina				
14. YAMASHITA, Kyle T.				
15. McDERMOTT, Bob		A A CONTRACTOR OF THE PROPERTY	<u> </u>	
			-	
				-
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TOTAL (15)	15	Ø	Ø	Ø
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
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