STAND. COM. REP. NO.



Honolulu, Hawaii MAR 25 , 2021 RE: S.B. No. 1240 S.D. 1 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 Consumer Protection & Commerce, to which was referred S.B. No. 1240, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX CONFORMITY,"

begs leave to report as follows:

The purpose of this measure is to require the State to conform to those provisions of the federal Consolidated Appropriations Act, 2021, relating to taxable income and deductible expenses.

Your Committee received testimony in support of this measure from Island Plastic Bags, Inc.; Hawaii Restaurant Association; National Federation of Independent Business; Chamber of Commerce Hawaii; Hawaii Automobile Dealers' Association; FCH Enterprises; Hawaii Food Industry Association; IL Gelato Hawaii; Kalaheo Coffee Co. Inc.; ABC Stores; Hawaii Association of Public Accountants; MW Group, Ltd.; Milici Valenti Ng Pack, Inc.; Prince Resorts Hawaii; Mauna Kea Resort LLC; Mauna Kea Resort Services LLC; KYD, Inc.; Suisan Company, Ltd.; Hawai'i Lodging & Tourism Association; Aloha Business Bitz, Inc.; Coconut's Fish Cafe; Retail Merchants of Hawaii; Maui Chamber of Commerce; T S Restaurants; Hawai'i Island Chamber of Commerce; Seal Masters of Hawaii; and two individuals. Your Committee received comments on this measure from the

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Department of Budget and Finance, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that the Consolidated Appropriations Act, 2021, Public Law 116-260, was enacted by the federal government on December 27, 2020. The federal Act, among other things, provides federal funding and stipulates federal tax treatment of certain taxable income and deductible expenses.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1240, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1240, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

JOHANSON, Chair

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Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:Committee Referral:SB1240 SD1CPC, F1N			Date: 3 18 2		
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) 					
CPC Members		Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)		V		<u></u>	
2. KITAGAWA, Lisa (VC)					
	and the second				
3. AQUINO, Henry J.C.		\checkmark			
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4. HAR, Sharon E.					
5. HASHEM, Mark J.		V			<u>a di Maliki Engel de 199</u>
6. KONG, Sam Satoru		V	yyyen yyddinginesen meinennifilliaddinen cei ar by	s	
		National and the average			
7. MIZUNO, John M.		V			
	atta anda a seconda da				
8. MORIKAWA, Dee		\checkmark			
9. ONISHI, Richard H.K.					
10 TADNAS Dovid A					
10. TARNAS, David A.					
11. MATSUMOTO, Lauren	<u></u>				<u>i, 1 Buddi, ddain ddailer</u>
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TOTAL (11)		<u> </u>	0	0	Û
The recommendation is: Image: Adopted lif joint referral,					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					