

STAND. COM. REP. NO. 183

Honolulu, Hawaii

FEB 13 2023

RE: S.B. No. 1398

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 1398 entitled:

"A BILL FOR AN ACT RELATING TO CONFORMITY TO THE INTERNAL REVENUE CODE,"

begs leave to report as follows:

The purpose and intent of this measure is to conform Hawaii income and estate and generation-skipping transfer tax laws to the Internal Revenue Code of 1986, as amended as of December 31, 2022.

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

Your Committee finds that this annual conformity measure is submitted by the Department of Taxation to ensure state income tax and state estate and generation-skipping transfer tax laws conform to the federal Internal Revenue Code as it exists on the December 31 preceding each Regular Session. The purpose of conformity is to update the state tax laws with those changes made to the federal Internal Revenue Code during the past year and to adopt those changes that are appropriate for Hawaii law.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B.



No. 1398 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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



KARL RHOADS, Chair



