

STAND. COM. REP. NO. **1012**-26

Honolulu, Hawaii

MAR 06

, 2026

RE: H.B. No. 2329
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Finance, to which was referred H.B. No. 2329 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 conform Hawaii income and estate and generation-skipping transfer tax laws to the Internal Revenue Code of 1986, as amended as of December 31, 2025, with certain exemptions.

Your Committee received testimony in support of this measure from the Department of Taxation and one individual. 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 generally conform to the federal Internal Revenue Code as it existed on December 31 of the preceding calendar year. This measure updates state tax laws with changes made to the federal Internal Revenue Code during the past year that are appropriate for Hawaii law.

2026-1874 HB2329 HD1 HSCR HMSO



Your Committee has amended this measure by:

- (1) Clarifying the State's conformity to section 68 of the Internal Revenue Code relating to the overall limitation on itemized deductions; and
- (2) Changing the effective date to July 1, 3000, to encourage further discussion.

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. 2329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2329, H.D. 1, and be placed on the calendar for Third Reading.

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



CHRIS TODD, Chair



