



GOV. MSG. NO 480

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

April 15, 2010

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fifth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on April 15, 2010, the following bill was signed into law:

SB2834 SD1

A BILL FOR AN ACT  
RELATING TO TAXATION.  
**ACT 023 (10)**

Sincerely,



LINDA LINGLE

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**A BILL FOR AN ACT**

RELATING TO TAXATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 235-2.4, Hawaii Revised Statutes, is  
2 amended by amending subsection (e) to read as follows:  
3           "(e) Section 165 (with respect to losses) of the Internal  
4 Revenue Code shall be operative for purposes of this chapter,  
5 except that the amount prescribed by section 165(h)(1) (relating  
6 to the limitation per casualty) of the Internal Revenue Code  
7 shall be a \$100 limitation per casualty, [~~and section 165(d)~~  
8 ~~(with respect to wagering losses)~~] and [ ] sections 165(h)(3)(A)  
9 and 165(h)(3)(B) (both of which relate to special rules for  
10 personal casualty gains and losses in federally declared  
11 disasters) of the Internal Revenue Code shall not be operative  
12 for the purposes of this chapter. Section 165 as operative for  
13 this chapter shall also apply to losses sustained from the sale  
14 of stocks or other interests issued through the exercise of the  
15 stock options or warrants granted by a qualified high technology  
16 business as defined in section 235-7.3."



1 SECTION 2. Statutory material to be repealed is bracketed  
2 and stricken.

3 SECTION 3. This Act shall take effect upon its approval,  
4 and shall apply to taxable years beginning after December 31,  
5 2008.

APPROVED this 15 day of APR, 2010



GOVERNOR OF THE STATE OF HAWAII