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# A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

**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 (1) to read as follows:

3           "(1) Section 179 (with respect to the election to expense  
4 certain depreciable business assets) of the Internal Revenue  
5 Code shall be operative for purposes of this chapter~~[, except~~  
6 ~~that provisions relating to:~~

7           ~~(1) The increase of the maximum deduction to \$100,000 for~~  
8           ~~taxable years beginning after 2002 and before 2008,~~  
9           ~~and the increase of the maximum deduction to \$125,000~~  
10           ~~for taxable years beginning after 2006 and before~~  
11           ~~2011, in section 179(b)(1);~~

12           ~~(2) The increase of the qualifying investment amount to~~  
13           ~~\$400,000 for taxable years beginning after 2002 and~~  
14           ~~before 2008, and the increase of the qualifying~~  
15           ~~investment amount to \$500,000 for taxable years~~  
16           ~~beginning after 2006 and before 2011, in section~~  
17           ~~179(b)(2);~~



- 1       ~~(3) The increase of the maximum deduction to \$250,000 and~~
- 2           ~~the increase of the qualifying investment amount to~~
- 3           ~~\$800,000 for taxable years beginning in 2008 or 2009,~~
- 4           ~~in section 179(b)(7);~~
- 5       ~~(4) Defining section 179 property to include computer~~
- 6           ~~software in section 179(d)(1);~~
- 7       ~~(5) Inflation adjustments in section 179(b)(5);~~
- 8       ~~(6) Irrevocable election in section 179(c)(2); and~~
- 9       ~~(7) Special rules for qualified disaster assistance~~
- 10           ~~property in section 179(e),~~
- 11 ~~shall not be operative for the purposes of this chapter]."~~

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 Statutory material to be repealed is bracketed  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

14           SECTION 3. This Act, upon its approval, shall apply to  
15 taxable years beginning after December 31, 2010.



**Report Title:**

Economic Development; Taxation; Expensing of Certain Depreciable Business Assets

**Description:**

Conforms state law to section 179 of the Internal Revenue Code, regarding the expensing of certain depreciable business assets. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

