

S.B. NO. 2890

JAN 23 2014

A BILL FOR AN ACT

RELATING TO APPLICATION OF THE INTERNAL REVENUE CODE TO HAWAII
INCOME TAX LAW.

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

1 SECTION 1. Section 235-3, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) The Internal Revenue Code, so far as made operative
4 by this chapter, is a statute adopted and incorporated by
5 reference. The Internal Revenue Code shall be applied using
6 changes in nomenclature and other language, including the
7 omission of inapplicable language, where necessary to effectuate
8 the intent of this section. In the Internal Revenue Code,
9 references to terms such as:

10 (1) "Secretary or his delegate" shall refer to the director
11 of taxation and the director's duly authorized
12 subordinates;

13 (2) "Estate taxes" shall refer to the estate and transfer
14 tax imposed by chapter 236D[+] or 236E, as applicable;

15 (3) "The highest rate of tax imposed upon individuals" or
16 "39.6 per cent" shall refer to the highest rate
17 imposed upon individuals under section 235-51;

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(4) "The highest rate of tax imposed upon corporations" shall refer to the highest rate imposed upon corporations under section 235-71; and

(5) "Interest at the underpayment rate" or "interest at the overpayment rate" shall refer to the interest rate set forth in section 231-39(b) (4) or section 231-23(d) (1), as the case may be."

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

INTRODUCED BY: 

BY REQUEST

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Report Title:

Taxes; Application of the Internal Revenue Code

Description:

Technical correction to reflect that the term "estate taxes" means either chapter 236D or chapter 236E, Hawaii Revised Statutes, as applicable based on the date of death.

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

JUSTIFICATION SHEET

DEPARTMENT: Taxation

TITLE: A BILL FOR AN ACT RELATING TO APPLICATION OF INTERNAL REVENUE CODE TO HAWAII INCOME TAX LAW.

PURPOSE: To amend the definition of "estate taxes" in chapter 235, Hawaii Revised Statutes (HRS), to include a reference to chapter 236E, HRS.

MEANS: Amend section 235-3(b), HRS.

JUSTIFICATION: The definition of "estate taxes" in section 235-3(b), HRS, must be amended to include chapter 236E for the purposes of clarity.

Impact on the public: The public will clearly understand that references to the term "estate taxes" in chapter 235 refer to chapters 236D and 236E.

Impact on the department and other agencies: The Department will have an easier time administering Hawaii's income tax law and will be able to answer taxpayer inquiries with certainty.

GENERAL FUND: Pending.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval.