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# 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  
11 director of taxation and the director's duly  
12 authorized subordinates;

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



1 (3) "The highest rate of tax imposed upon individuals" or  
2 "39.6 per cent" shall refer to the highest rate  
3 imposed upon individuals under section 235-51;

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

7 (5) "Interest at the underpayment rate" or "interest at  
8 the overpayment rate" shall refer to the interest rate  
9 set forth in section 231-39(b)(4) or section 231-  
10 23(d)(1), as the case may be."

11 SECTION 2. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 3. This Act, upon its approval, shall apply  
14 retroactively to January 26, 2012.



**Report Title:**

Taxes; Application of the Internal Revenue Code

**Description:**

Technical correction to reflect that the term "estate taxes" means taxes imposed under either chapter 236D or chapter 236E, HRS, as applicable based on the date of death. Applies the technical correction retroactively to 01/26/2012. (SD1)

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