



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

July 5, 2017

**GOV. MSG. NO. 1196**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Ninth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Twenty-Ninth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 5, 2017, the following bill was signed into law:

SB1002 SD1 HD1

RELATING TO CONFORMITY TO THE INTERNAL  
REVENUE CODE  
**ACT 095 (17)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

# A BILL FOR AN ACT

RELATING TO CONFORMITY TO THE INTERNAL REVENUE CODE.

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

1           SECTION 1. The purpose of this Act is to conform Hawaii  
2 income and estate and generation-skipping transfer tax laws to  
3 the Internal Revenue Code of 1986, as amended.

4           SECTION 2. Section 235-2.3, Hawaii Revised Statutes, is  
5 amended by amending subsection (a) to read as follows:

6           "(a) For all taxable years beginning after December 31,  
7 [~~2015~~] 2016, as used in this chapter, except as provided in  
8 section 235-2.35, "Internal Revenue Code" means subtitle A,  
9 chapter 1, of the federal Internal Revenue Code of 1986, as  
10 amended as of December 31, [~~2015~~] 2016, as it applies to the  
11 determination of gross income, adjusted gross income, ordinary  
12 income and loss, and taxable income, except those provisions of  
13 the Internal Revenue Code and federal public laws which,  
14 pursuant to this chapter, do not apply or are otherwise limited  
15 in application and except for the provisions of Public Law 109-  
16 001 which apply to section 170 of the Internal Revenue Code.  
17 The provisions of Public Law 109-001 to accelerate the deduction



1 for charitable cash contributions for the relief of victims of  
2 the 2004 Indian Ocean tsunami are applicable for the calendar  
3 year that ended December 31, 2004, and the calendar year ending  
4 December 31, 2005.

5 Prior law shall continue to be used to determine:

- 6 (1) The basis of property, if a taxpayer first determined  
7 the basis of property in a taxable year to which prior  
8 law applies; and  
9 (2) Gross income, adjusted gross income, ordinary income  
10 and loss, and taxable income for a taxable year to  
11 which prior law applies."

12 SECTION 3. Section 236E-3, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 "**§236E-3 Conformance to the Internal Revenue Code; general**  
15 **application.** For all decedents dying after December 31, [~~2015~~]  
16 2016, as used in this chapter, "Internal Revenue Code" means  
17 subtitle B of the federal Internal Revenue Code of 1986, as  
18 amended as of December 31, [~~2015~~] 2016, as it applies to the  
19 determination of gross estate, adjusted gross estate, federal  
20 taxable estate, and generation-skipping transfers, except those  
21 provisions of the Internal Revenue Code and federal public laws



1 that, pursuant to this chapter, do not apply or are otherwise  
2 limited in application."

3 SECTION 4. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 5. This Act shall take effect upon its approval;  
6 provided that:

7 (1) Section 2 shall apply to taxable years beginning after  
8 December 31, 2016; and

9 (2) Section 3 shall apply to decedents dying or taxable  
10 transfers occurring after December 31, 2016.

APPROVED this 5 day of JUL , 2017



GOVERNOR OF THE STATE OF HAWAII

**THE SENATE OF THE STATE OF HAWAII**

Date: April 28, 2017  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the  
Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017.



President of the Senate



Clerk of the Senate

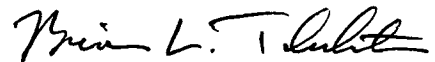
THE HOUSE OF REPRESENTATIVES OF THE  
STATE OF HAWAII

Date: April 7, 2017  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Third Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017.



Joseph M. Souki  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives