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# 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.



**Report Title:**

Conformity to the Internal Revenue Code for 2016; Income Tax;  
Estate and Generation-skipping Transfer Tax

**Description:**

Conforms Hawaii income and estate and generation-skipping  
transfer tax laws to the Internal Revenue Code of 1986, as  
amended as of December 31, 2016. (SB1002 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is  
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