

JAN 17 2020

A BILL FOR AN ACT

RELATING TO ESTATE TAX INFLATION ADJUSTMENT.

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

1 SECTION 1. Section 236E-6, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:
3 "(a) An exclusion from a Hawaii taxable estate shall be
4 allowed to the estate of every decedent against the tax imposed
5 by section 236E-8. For the purpose of this section, the
6 applicable exclusion amount is equal to:
7 (1) The federal applicable exclusion amount;
8 (2) The exemption equivalent of the unified credit reduced
9 by the amount of taxable gifts made by the decedent
10 that reduces the amount of the federal applicable
11 exclusion amount; or
12 (3) The exemption equivalent of the unified credit on the
13 decedent's federal estate tax return,
14 as set forth for the decedent in chapter 11 of the Internal
15 Revenue Code as amended as of December 21, 2017, [~~as if the~~
16 ~~decedent died on December 31, 2017,~~] and to include the
17 inflation adjustment under section 2010(c)(3)(B) of the Internal



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1 Revenue Code of 1986, as amended as of December 21, 2017, but as
2 computed by the department, and as further adjusted pursuant to
3 subsection (b)."

4 SECTION 2. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 3. This Act, upon its approval, shall apply to
7 decedents dying after December 31, 2019, and shall not apply to
8 decedents dying on or after December 21, 2017, and before
9 January 1, 2020.

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S.B. NO. 2602

Report Title:

Estate Tax; Decedents; Applicable Exclusion Amount; Inflation Adjustment; Conformity to the Internal Revenue Code

Description:

Requires Hawaii's estate tax applicable exclusion amount to be calculated by utilizing the federal Internal Revenue Service inflation adjustment mechanism. Applies only to decedents dying after December 31, 2019.

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