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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. Section 236E-2, Hawaii Revised Statutes, is  
2 amended by adding a new definition to be appropriately inserted  
3 and to read as follows:

4           "Immediate family member" means a spouse, child, sibling,  
5 parent, grandparent, grandchild, stepparent, stepchild,  
6 stepsibling, and equivalent adoptive relationships."

7           SECTION 2. Section 236E-7, Hawaii Revised Statutes, is  
8 amended to read as follows:

9           "**§236E-7 Hawaii taxable estate.** For the purposes of this  
10 chapter, "Hawaii taxable estate" means:

11           (1) For residents, the federal taxable estate under  
12 section 2051, et seq., of the Internal Revenue Code  
13 ~~[but without regard for the]~~, except that:

14           (A) The deduction for state death taxes paid under  
15 section 2058 of the Internal Revenue Code~~[+]~~  
16 shall not be operative; and



1           (B) The marital deduction under section 2056 of the  
 2           Internal Revenue Code shall apply to the passage  
 3           of any interest in property to any immediate  
 4           family member;

5           (2) For nonresidents, the federal taxable estate under  
 6           section 2051, et seq., of the Internal Revenue Code,  
 7           ~~[but without regard for the]~~, except that:

8           (A) The deduction for state death taxes paid under  
 9           section 2058 of the Internal Revenue Code[7]  
 10           shall not be operative; and

11           (B) The marital deduction under section 2056 of the  
 12           Internal Revenue Code shall apply to the passage  
 13           of any interest in property to any immediate  
 14           family member,

15           multiplied by a fraction, the numerator of which is  
 16           the value of the property in the State subject to tax  
 17           under this chapter, and the denominator of which is  
 18           the federal gross estate; and

19           (3) For nonresidents not citizens, the federal taxable  
 20           estate determined under section 2106 of the Internal  
 21           Revenue Code, but without regard for the deduction for



1 state death taxes paid under section 2106(a)(4) of the  
2 Internal Revenue Code, multiplied by a fraction, the  
3 numerator of which is the value of the property with a  
4 situs in the State subject to tax under this chapter,  
5 and the denominator of which is the federal gross  
6 estate."

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

9 SECTION 4. This Act shall take effect on July 1, 3000, and  
10 shall apply to decedents dying or taxable transfers occurring  
11 after December 31, 2023.



# H.B. NO. 2652 H.D. 1

**Report Title:**

Estate Tax; Marital Deduction; Immediate Family Members

**Description:**

Amends the definition of Hawaii taxable estate to provide that the marital deduction under section 2056 of the Internal Revenue Code shall apply to the passage of any interest in property to any immediate family member. Effective 7/1/3000. (HD1)

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