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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. The purpose of this Act is to eliminate the  
2 home mortgage interest deduction for second homes under Hawai'i  
3 income tax law.

4           SECTION 2. Section 235-2.4, Hawaii Revised Statutes, is  
5 amended by amending subsection (j) to read as follows:

6           "(j) Section 163 (with respect to interest) of the  
7 Internal Revenue Code shall be operative for the purposes of  
8 this chapter, except that the following provisions shall not be  
9 operative for the purposes of this chapter:

10           (1) Section 163(d)(4)(B) (defining net investment income  
11 to exclude dividends);

12           (2) Section 163(e)(5)(F) (suspension of applicable high-  
13 yield discount obligation (AHYDO) rules);

14           (3) Section 163(h)(3)(F) (limiting mortgage interest);

15           [and]

16           (4) Section 163(h)(4)(A)(i)(II) (definition of qualified  
17 residence for home mortgage interest deduction);





# S.B. NO. 123

**Report Title:**

Department of Budget and Finance; Department of Taxation; Home Mortgage Interest Deduction; Income Tax; Reports

**Description:**

Eliminates the home mortgage interest deduction for second homes under Hawaii income tax law. Requires reports to the Legislature.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

