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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.

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 ~~[2023]~~ 2024, as used in this chapter, except as provided in  
8 this section and sections 235-2.35, 235-2.4, and 235-2.45,  
9 "Internal Revenue Code" means subtitle A, chapter 1, of the  
10 federal Internal Revenue Code of 1986, as amended as of  
11 December 31, ~~[2023]~~ 2024, as it applies to the determination of  
12 gross income, adjusted gross income, ordinary income and loss,  
13 and taxable income, except those provisions of the Internal  
14 Revenue Code which, pursuant to this chapter, do not apply or  
15 are otherwise limited in application.

16           Sections 9672(1) (relating to tax treatment of targeted  
17 EIDL advances) and 9673(1) (relating to tax treatment of



1 restaurant revitalization grants) of Public Law 117-2 shall be  
2 operative for purposes of this chapter. No amount received  
3 under section 9601 (relating to 2021 recovery rebates to  
4 individuals) of Public Law 117-2 shall be included in gross  
5 income for purposes of this chapter.

6 Sections 276(b)(1) (relating to subsequent paycheck  
7 protection program loans), 277 (relating to emergency financial  
8 aid grants), 278(b)(1) (relating to emergency EIDL grants and  
9 targeted EIDL advances), 278(c)(1) (relating to subsidy for  
10 certain loan payments), and 278(d)(1) (relating to grants for  
11 shuttered venue operators) of Division N of Public Law 116-260  
12 shall be operative for purposes of this chapter. Sections 213  
13 (relating to modification of limitations on charitable  
14 contributions) and 214 (relating to temporary special rules for  
15 health and dependent care flexible spending arrangements) of  
16 Division EE of Public Law 116-260 shall be operative for  
17 purposes of this chapter. Sections 301, 302, and 304 (relating  
18 to disaster tax relief) of Division EE of Public Law 116-260  
19 shall be operative for purposes of this chapter. No amount  
20 received under section 272 (relating to additional 2020 recovery



1 rebates for individuals) of Division N of Public Law 116-260  
2 shall be included in gross income for purposes of this chapter.

3 Sections 1106(i) (relating to exclusion of loan forgiveness  
4 from gross income), 2202(b) (relating to loans from retirement  
5 plans), and 2205 (relating to charitable contributions) of  
6 Public Law 116-136 shall be operative for purposes of this  
7 chapter. No amount received under section 2201 (relating to  
8 recovery rebates) of Public Law 116-136 shall be included in  
9 gross income for purposes of this chapter.

10 Section 2202(a) (relating to tax-favored withdrawals from  
11 retirement plans) of Public Law 116-136 shall be operative for  
12 purposes of this chapter and shall apply to taxable years  
13 beginning after December 31, 2019.

14 Prior law shall continue to be used to determine:

15 (1) The basis of property, if a taxpayer first determined  
16 the basis of property in a taxable year to which prior  
17 law applies; and

18 (2) Gross income, adjusted gross income, ordinary income  
19 and loss, and taxable income for a taxable year to  
20 which prior law applies."



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

3 "**§236E-3 Conformance to the Internal Revenue Code; general**  
4 **application.** For all decedents dying, or transfers occurring,  
5 after December 31, [~~2023~~] 2024, as used in this chapter,  
6 "Internal Revenue Code" means subtitle B of the federal Internal  
7 Revenue Code of 1986, as amended as of December 31, [~~2023~~]  
8 2024, as it applies to the determination of gross estate,  
9 adjusted gross estate, federal taxable estate, and  
10 generation-skipping transfers, except those provisions of the  
11 Internal Revenue Code and federal public laws that, pursuant to  
12 this chapter, do not apply or are otherwise limited in  
13 application."

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

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

18 (1) Section 2 shall apply to taxable years beginning after  
19 December 31, 2024; and

20 (2) Section 3 shall apply to decedents dying or taxable  
21 transfers occurring after December 31, 2024.



**Report Title:**

Conformity to the Internal Revenue Code for 2024; 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, 2024. (CD1)

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

