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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 235-2.3, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) For all taxable years beginning after December 31,  
4 2023, as used in this chapter, except as provided in this  
5 section and sections 235-2.35, 235-2.4, and 235-2.45, "Internal  
6 Revenue Code" means subtitle A, chapter 1, of the federal  
7 Internal Revenue Code of 1986, as amended as of December 31,  
8 2023, as it applies to the determination of gross income,  
9 adjusted gross income, ordinary income and loss, and taxable  
10 income, except those provisions of the Internal Revenue Code  
11 which, pursuant to this chapter, do not apply or are otherwise  
12 limited in application.

13 Sections 9672(1) (relating to tax treatment of targeted  
14 EIDL advances) and 9673(1) and (2) (relating to tax treatment of  
15 restaurant revitalization grants) of Public Law 117-2 shall be  
16 operative for purposes of this chapter. No amount received  
17 under section 9601 (relating to 2021 recovery rebates to



1 individuals) of Public Law 117-2 shall be included in gross  
2 income for purposes of this chapter.

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

20 Sections 1106(i) (relating to exclusion of loan forgiveness  
21 from gross income), 2202(b) (relating to loans from retirement



1 plans), and 2205 (relating to charitable contributions) of  
2 Public Law 116-136 shall be operative for purposes of this  
3 chapter. No amount received under section 2201 (relating to  
4 recovery rebates) of Public Law 116-136 shall be included in  
5 gross income for purposes of this chapter.

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

10 Prior law shall continue to be used to determine:

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

14 (2) Gross income, adjusted gross income, ordinary income  
15 and loss, and taxable income for a taxable year to  
16 which prior law applies."

17 SECTION 2. New statutory material is underscored.



1 SECTION 3. This Act, upon its approval, shall apply  
2 retroactively to taxable years beginning after December 31,  
3 2024.

4

INTRODUCED BY:

  
By Request



# S.B. NO. 82

**Report Title:**

American Rescue Plan Act; Conformity to the Internal Revenue Code; Income Tax

**Description:**

Conforms the Hawaii income tax laws to the provision of the American Rescue Plan Act relating to tax treatment of restaurant revitalization grants. Applies retroactively to taxable years beginning after 12/31/24.

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

