

**ACT 26**

A Bill for an Act Relating to Income Taxation, Amending the Provision for Dividends Received Deduction Under Chapter 121 for Certain Corporate Taxpayers.

*Be it Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Subparagraph (c) (1) of section 121-5 of the Revised Laws of Hawaii 1955 as amended, is hereby amended to read as follows:

“(1) upon the shares of stock of another corporation, if at the date of payment of such dividend at least ninety-five per cent of such other corporation’s capital stock is owned by one or more corporations doing business in this State and if such other corporation is subjected to an income tax in another jurisdiction (but subjection to federal tax does not constitute subjection to income tax in another jurisdiction);”

SECTION 2. This Act shall take effect and apply to all taxable years beginning on or after January 1, 1964.

(Approved May 7, 1963.) **H.B. 54.**

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