

A Bill for an Act Relating to the Hawaii Income Tax Law.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 235-2, Hawaii Revised Statutes, is amended to read:

“Sec. 235-2 Same; “Internal Revenue Code.” “Internal Revenue Code” means the Internal Revenue Code of 1954 as it applies to the determination of gross income, adjusted gross income, and taxable income, except those provisions of the Internal Revenue Code which pursuant to this chapter do not apply. For each taxable year specified in column 1 below the Internal Revenue Code meant is the Internal Revenue Code of 1954 as amended as of June 7, 1957 and as further amended by the acts of Congress, or portions thereof, enumerated in column 2 (section numbers in column 2 are inclusive). Amendments to the Code not herein enumerated shall not be operative for the purposes of this chapter unless specifically adopted.

Column 1

Taxable year beginning on or after January 1, 1958, or which in whole or in part is governed by this chapter pursuant to the provisions of Act 1 of the Special Session Laws of 1957, and subsequent taxable years.

Column 2

Public Laws 85-165, 85-320, and 85-367; Public Law 85-866, Title 1, sections 4-12, 19, 20 (with respect to sales, exchanges, and distributions made after December 31, 1957), 21, 22, 24, 25, 28, 29 (the provisions of section 29 being applicable as agreed upon in connection with the consent of the department of taxation to the change in the method of accounting, and reading “the first taxable year beginning after December 31, 1953, and ending after August 16, 1954” as “the first taxable year governed by the Income Tax Law of 1957”), 34, 35, 37(c), 38, 43-48, 52(b), 53, 55, 95, and 97.

Taxable year beginning on or after January 1, 1959, or beginning in 1958 but ending on or after June 30, 1959, and subsequent taxable years.

Taxable year beginning on or after January 1, 1961, and subsequent taxable years.

Taxable year beginning on or after January 1, 1962, and subsequent taxable years.

Taxable years ending after December 31, 1962, but only in respect of periods after December 31, 1962.

Taxable year beginning on or after January 1, 1963, and subsequent taxable years.

Taxable year beginning on or after January 1, 1965.

Public Law 85-866, Title I, sections 2 (with respect to obligations acquired after December 31, 1957), 3 (with respect to amounts received as a statutory subsistence allowance for a period after September 30, 1958), 13, 15 (with respect to the costs and improvements there designated), 17, 23, 26, 27, 30 (the provisions of section 30 being applicable to the extent they relate to deductions for contributions and gifts), 37(b) and (d), 39, 49, 50, 51, 52(a), 54, 57(a), 58 (with respect to the amounts there designated), 101 (with respect to taxable years of regulated investment companies beginning on or after March 1, 1958), Title II, sections 202, 204 (with respect to property acquired by purchase after December 31, 1958).

Public Law 86-564, Title III, section 302.

Public Law 87-834, sections 22 and 28.

Public Law 87-834, section 4.

Public Law 87-834, sections 13 and 21;

Public Law 87-863, section 2.

Public Law 86-376, section 1(a);

Public Law 86-470, section 3(a);

Public Law 86-594, section 1;

Public Law 86-779, sections 6(a), (b), and (c), 7(a) and (b);

Public Law 87-256, section 110(a);

Public Law 87-834, section 3(a);

Public Law 87-858, section 2(a) and (b);

Public Law 87-863, section 1(a) and (b);

Public Law 88-4, section 1;

Public Law 88-272, sections 203(d) (with respect to dispositions of elevators and escalators made in taxable years beginning on or after January 1, 1965), 204(a) (with respect to group-term life insurance provided in taxable years beginning on or after January 1, 1965), 205(a) (with respect to amounts attributable to periods of absence beginning on or after January 1, 1965), 206(a) and (b) (2) (3) and (4) (with respect to sales on or after January 1, 1965), 207(a), (b) (1) (2) (3), and (c) (2), 208(a) (with respect to losses sustained in taxable years beginning on or after January 1, 1965), 211(a), 212(a), 213(a) and (b) (with respect to expenses incurred in taxable years beginning on or after January 1, 1965), 217(a), 224(a), (b), and (c) (with respect to certain deferred payments on sales or exchanges of property occurring in taxable years beginning on or after January 1, 1965), 230(a) and (b) (with respect to capital loss carryovers in taxable years beginning on or after January 1,

Taxable years ending after December 31, 1965 but only with respect to compensation for periods of active service after such date.

Taxable years ending after December 31, 1966, but only with respect to contributions made after such date.

Taxable years beginning January 1, 1967.

Taxable year beginning on or after January 1, 1968.

Taxable years beginning on or after January 1, 1966.

Taxable years beginning on or after January 1, 1975.

1965, and further provided that in the case of a taxpayer other than a corporation, there shall be treated as a short-term capital loss in the first taxable year beginning after December 31, 1964, any amount which is treated as a short-term capital loss in such year as in effect immediately before May 11, 1965), 231(a) and (b) (with respect to dispositions of certain depreciable realty in taxable years beginning on or after January 1, 1965);

Public Law 88-554, section 1. Internal Revenue Code of 1954, section 112, as amended by Public Law 89-739.

Public Law 88-272, section 209, with the exceptions of section 209(c) (2) and section 209(f).

Public Law 90-78, section 1.

Public Law 87-792, sections 2, 3, 4, 6, 7(b), 7(c), 7(d), 7(e) and 7(f);

Public Law 87-863, subsections 2(a) and (b);

Public Law 89-809, sections 204 and 205.

Public Law 87-792, section 5.

Internal Revenue Code, section 112(d), as added by Public Law 92-279.

Public Law 91-172, sections 201(a) (1), (a) (2) (A), (b), (c), (e) and (f) (with respect to charitable contributions made on or after January 1, 1975), 212(a) (1), (a) (2), (b) (1), and (c) (1) (with respect to recapture of depreciation upon the sale of livestock made on or after January 1, 1975), 213(a), (b), and (c) (with respect to deductions attributable to activities not engaged in for profit made on or after January 1, 1975), 231(a), (b), and (c) (with respect to moving expenses made on or after January 1, 1975), 321(a), (b), and (c) (with respect to restricted property made on or after January 1, 1975), 331(a), (b), and (c) (with respect to treatment of excess distributions by trusts made on or after January 1, 1975), 411(a) and (b) (with respect to interest on indebtedness incurred by corporation to acquire stock or assets of another corporation made on or after January 1, 1975), 412(a) (with respect to installment sale made on or after January 1, 1975), 421(a) (with respect to stock dividends made on or after January 1, 1975), 433(b) (with respect to loss of a small business investment company made on or after January 1, 1975), 441(a) (with respect to public utility property made on or after January 1, 1975), 442(a) (with respect to earnings and profits made on or after January 1, 1975), 513(a), (b) and (c) (with respect to capital loss limitations for individuals), 514(a) and (b) (with respect to income on sales of literary property), 515(a), (b) and (c) (1), (c) (2) and (c) (3) (with respect to lump-sum

distribution from employees' plans), 516(a) (with respect to sales or other disposition of a term interest in property), 516(b) (with respect to treatment of certain casualty losses), 516(c) (with respect to treatment of franchises, trademarks and trade names), 521(a) through (f) (with respect to real estate depreciation and recapture effective on or after January 1, 1975), 531(a), (b) and (c) (with respect to qualified pension, etc., plans of small business corporation effective on or after January 1, 1975), 901(a) and (b) (with respect to casualty losses —reimbursement for increased living expenses), 902(a) and (b) (with respect to fines and penalties, and bribes and illegal kickbacks), 905(a) and (b) (with respect to corporations using appreciated property to redeem their own stock), 910(a), (b) and (c) (with respect to sales of certain low-income housing projects in Hawaii), 912(a) (with respect to foster child as dependent), 915(a) (with respect to replacement of property involuntarily converted within a 2-year period). Public Law 92-178, sections 109(a), (b), (d) (1) (2), and (e) (with respect to class life system of depreciation effective on or after January 1, 1975), 302(a) and (b) with the exceptions of unused credits (with respect to limitations on carryovers of unused capital losses), 303(a) and (c) (with respect to amortization of certain expenditures for on-the-job training and for child care centers), 306(a) and (b) (with respect to capital gain distributions of certain trusts), 310(a) (with respect to bribes, kickbacks, medical referral payments), and 311(a) (with respect to activities not engaged in for profit)."

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material or the underscoring.*

SECTION 3. This Act upon its approval shall apply to the taxable years stated in Section 1 of this Act.

(Approved May 14, 1975.)

*Edited accordingly.