JAN 2 3 2014

A BILL FOR AN ACT

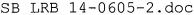
PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 2, OF THE HAWAII CONSTITUTION, TO EXCLUDE CERTAIN RETIREMENT BENEFITS FROM INCOME TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The purpose of this Act is to propose an
- 2 amendment to article VII, section 2, of the Constitution of the
- 3 State of Hawaii to exclude certain retirement benefits from
- 4 income taxation.
- 5 SECTION 2. Article VII, section 2, of the Constitution of
- 6 the State of Hawaii is amended to read as follows:

7 "INCOME TAXATION

- 8 Section 2. In enacting any law imposing a tax on or
- 9 measured by income, the legislature may define income by
- 10 reference to provisions of the laws of the United States as they
- 11 may be or become effective at any time or from time to time,
- 12 whether retrospective or prospective in their operation. The
- 13 legislature may provide that amendments to such laws of the
- 14 United States shall become the law of the State upon their
- 15 becoming the law of the United States. The legislature shall in
- 16 any such law set the rate or rates of such tax. The legislature
- 17 may in so defining income make exceptions, additions or





- 1 modifications to any provisions of the laws of the United States
- 2 so referred to and provide for retrospective exceptions or
- 3 modifications to those provisions which are retrospective. The
- 4 legislature shall define income by excluding retirement benefits
- 5 if the employee contributions made toward those retirement
- 6 benefits were not excluded from income taxation."
- 7 SECTION 3. The question to be printed on the ballot shall
- 8 be as follows:
- 9 "Shall retirement benefits be excluded from state income
- 10 taxation if the beneficiaries' contributions were subject to
- state income taxation?"
- 12 SECTION 4. New constitutional material is underscored.
- 13 SECTION 5. This amendment shall take effect upon
- 14 compliance with article XVII, section 3, of the Constitution of
- 15 the State of Hawaii.

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INTRODUCED BY:

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S.B. NO. 2982

Report Title:

State Constitution; Amendment; Retirement Benefits; Exclusion from Taxation

Description:

Proposes a constitutional amendment to exclude certain retirement benefits from income taxation.

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