
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 [~~2019,~~] 2020, as used in this chapter, except as provided in
8 this section and section 235-2.35, "Internal Revenue Code" means
9 subtitle A, chapter 1, of the federal Internal Revenue Code
10 of 1986, as amended as of [~~March 27, 2020,~~] December 31, 2020,
11 as it applies to the determination of gross income, adjusted
12 gross income, ordinary income and loss, and taxable income,
13 except those provisions of the Internal Revenue Code which,
14 pursuant to this chapter, do not apply or are otherwise limited
15 in application.

16 Sections 276(b)(1) (relating to subsequent paycheck
17 protection program loans), 277 (relating to emergency financial



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

16 Sections [~~1106(i)(relating)~~] 1106(i) (relating to exclusion
17 of loan forgiveness from gross income), [~~2202(b)(relating)~~
18 2202(b) (relating to loans from retirement plans), and 2205
19 (relating to charitable contributions) of Public Law 116-136
20 shall be operative for purposes of this chapter. No amount
21 received under section 2201 (relating to recovery rebates) of



1 Public Law 116-136 shall be included in gross income for
2 purposes of this chapter.

3 Prior law shall continue to be used to determine:

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

7 (2) Gross income, adjusted gross income, ordinary income
8 and loss, and taxable income for a taxable year to
9 which prior law applies."

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

12 **"§236E-3 Conformance to the Internal Revenue Code; general**
13 **application.** For all decedents dying, or transfers occurring,
14 after December 31, [~~2019~~] 2020, as used in this chapter,
15 "Internal Revenue Code" means subtitle B of the federal Internal
16 Revenue Code of 1986, as amended as of December 31, [~~2019~~]
17 2020, as it applies to the determination of gross estate,
18 adjusted gross estate, federal taxable estate, and
19 generation-skipping transfers, except those provisions of the
20 Internal Revenue Code and federal public laws that, pursuant to



1 this chapter, do not apply or are otherwise limited in
2 application."

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

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

7 (1) Section 2 shall apply to taxable years beginning after
8 December 31, 2020; and

9 (2) Section 3 shall apply to decedents dying or taxable
10 transfers occurring after December 31, 2020.



Report Title:

Conformity to the Internal Revenue Code for 2020; 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 12/31/2020. (SD1)

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not legislation or evidence of legislative intent.*

