



GOV. MSG. NO. 1107

**EXECUTIVE CHAMBERS
HONOLULU**

**DAVID Y. IGE
GOVERNOR**

APR 21 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on **APR 21 2022**, the following bill was signed into law:

SB3143

**RELATING TO CONFORMITY TO THE INTERNAL
REVENUE CODE.**

ACT 007

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

Approved by the Governor
on APR 21 2022

ACT 007

S.B. NO. 3143

JAN 26 2022

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 ~~[2020-]~~ 2021, as used in this chapter, except as provided in
8 this section and ~~[section]~~ sections 235-2.35, 235-2.4, and 235-
9 2.45, "Internal Revenue Code" means subtitle A, chapter 1, of
10 the federal Internal Revenue Code of 1986, as amended as of
11 December 31, ~~[2020-]~~ 2021, as it applies to the determination of
12 gross income, adjusted gross income, ordinary income and loss,
13 and taxable income, except those provisions of the Internal
14 Revenue Code which, pursuant to this chapter, do not apply or
15 are otherwise limited in application.

16 Sections 9672(1) (relating to tax treatment of targeted
17 EIDL advances) and 9673(1) (relating to tax treatment of
18 restaurant revitalization grants) of Public Law 117-2 shall be

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operative for purposes of this chapter. No amount received
under section 9601 (relating to 2021 recovery rebates to
individuals) of Public Law 117-2 shall be included in gross
income for purposes of this chapter.

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

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1 Sections 1106(i) (relating to exclusion of loan forgiveness
2 from gross income), 2202(b) (relating to loans from retirement
3 plans), and 2205 (relating to charitable contributions) of
4 Public Law 116-136 shall be operative for purposes of this
5 chapter. No amount received under section 2201 (relating to
6 recovery rebates) of Public Law 116-136 shall be included in
7 gross income for purposes of this chapter.

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

12 Prior law shall continue to be used to determine:

- 13 (1) The basis of property, if a taxpayer first determined
14 the basis of property in a taxable year to which prior
15 law applies; and
16 (2) Gross income, adjusted gross income, ordinary income
17 and loss, and taxable income for a taxable year to
18 which prior law applies."

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

21 "§236E-3 Conformance to the Internal Revenue Code; general
22 application. For all decedents dying, or transfers occurring,

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1 after December 31, [~~2020~~] 2021, as used in this chapter,
2 "Internal Revenue Code" means subtitle B of the federal Internal
3 Revenue Code of 1986, as amended as of December 31, [~~2020~~]
4 2021, as it applies to the determination of gross estate,
5 adjusted gross estate, federal taxable estate, and generation-
6 skipping transfers, except those provisions of the Internal
7 Revenue Code and federal public laws that, pursuant to this
8 chapter, do not apply or are otherwise limited in application."

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

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

13 (1) Section 2 shall apply to taxable years beginning after
14 December 31, 2021; provided that section 2202(a)
15 (relating to tax-favored withdrawals from retirement
16 plans) of Public Law 116-136 shall apply to taxable
17 years beginning after December 31, 2019; and

18 (2) Section 3 shall apply to decedents dying or taxable
19 transfers occurring after December 31, 2021.

20

APPROVED this 21 day of April, 2022

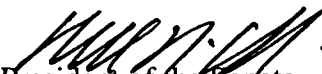



GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI'I

Date: March 8, 2022
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the Senate of the Thirty-First Legislature of the State of Hawai'i, Regular Session of 2022.


President of the Senate

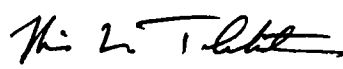

Clerk of the Senate

**THE HOUSE OF REPRESENTATIVES
OF THE STATE OF HAWAI'I**

Date: APR 7 2022
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawai'i, Regular Session of 2022.


Speaker, House of Representatives


Clerk, House of Representatives