
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 235-51, Hawaii Revised Statutes, is
2 amended by amending subsection (f) to read as follows:

3 "(f) If a taxpayer has a net capital gain for any taxable
4 year to which this subsection applies, then the tax imposed by
5 this section shall not exceed the sum of:

6 (1) The tax computed at the rates and in the same manner
7 as if this subsection had not been enacted on the
8 greater of:

9 (A) The taxable income reduced by the amount of net
10 capital gain, or

11 (B) The amount of taxable income taxed at a rate
12 below 7.25 per cent, plus

13 (2) A tax of 7.25 per cent of the amount of taxable income
14 in excess of the amount determined under
15 paragraph (1).

16 This subsection shall apply to individuals, estates, and
17 trusts for taxable years beginning after December 31, 1986[-];



H.B. NO. 1702

Report Title:

Capital Gains Tax; Residential Property; Elderly; Exemption

Description:

Exempts the net capital gain from the sale of a residential property by a taxpayer who is sixty-five years of age or older from the capital gains tax.

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