

JAN 24 2024

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 236E-2, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 "Immediate family member" means a spouse, child, sibling,
5 parent, grandparent, grandchild, stepparent, stepchild,
6 stepsibling, and equivalent adoptive relationships."

7 SECTION 2. Section 236E-7, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§236E-7 Hawaii taxable estate.** For the purposes of this
10 chapter, "Hawaii taxable estate" means:

11 (1) For residents, the federal taxable estate under
12 section 2051, et seq., of the Internal Revenue Code
13 ~~[but without regard for the]~~, except that:

14 (A) The deduction for state death taxes paid under
15 section 2058 of the Internal Revenue Code[+]
16 shall not be operative; and



1 (B) The marital deduction under section 2056 of the
2 Internal Revenue Code shall apply to the passage
3 of any interest in property to any immediate
4 family member;

5 (2) For nonresidents, the federal taxable estate under
6 section 2051, et seq., of the Internal Revenue Code,
7 ~~[but without regard for the]~~, except that:

8 (A) The deduction for state death taxes paid under
9 section 2058 of the Internal Revenue Code[7]
10 shall not be operative; and

11 (B) The marital deduction under section 2056 of the
12 Internal Revenue Code shall apply to the passage
13 of any interest in property to any immediate
14 family member,

15 multiplied by a fraction, the numerator of which is
16 the value of the property in the State subject to tax
17 under this chapter, and the denominator of which is
18 the federal gross estate; and

19 (3) For nonresidents not citizens, the federal taxable
20 estate determined under section 2106 of the Internal
21 Revenue Code, but without regard for the deduction for



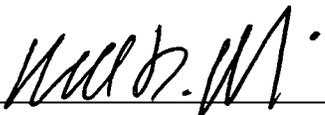
1 state death taxes paid under section 2106(a)(4) of the
2 Internal Revenue Code, multiplied by a fraction, the
3 numerator of which is the value of the property with a
4 situs in the State subject to tax under this chapter,
5 and the denominator of which is the federal gross
6 estate."

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

9 SECTION 4. This Act shall take effect upon its approval
10 and shall apply to decedents dying or taxable transfers
11 occurring after December 31, 2023.

12

INTRODUCED BY:



By Request



S.B. NO. 3289

Report Title:

Estate Tax; Marital Deduction; Immediate Family Members

Description:

Amends the definition of Hawaii taxable estate to provide that the marital deduction under section 2056 of the Internal Revenue Code shall apply to the passage of any interest in property to any immediate family member.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

