

ACT 145

H.B. NO. 450

A Bill for an Act Relating to Inheritance Taxation.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 236-9.1, Hawaii Revised Statutes, is amended to read as follows:

“Sec. 236-9.1 Pensions exempt. The residual proceeds of pensions or other allowances or stipends made by an employer to a deceased employee’s surviving spouse, children, parents, brothers, or sisters in consideration of past services of a deceased person or of the surrender of rights or emoluments shall be exempt from all taxes imposed by this chapter; provided that the exemption allowed under this section shall not apply to amounts in excess of \$30,000 of the present value of the pension computed in accordance with section 236-26; provided further that if (1) the residual proceeds of any such pension, allowance, or stipend are payable in periodic installments over the life of the surviving spouse, children, parents, brothers, or sisters and no right or option exists to commute such residual proceeds into the lump sum payment and (2) no residual value to such pension, allowance, or stipend exists upon the subsequent death of the surviving spouse, children, parents, brothers, or sisters, where such residual value is payable in a lump sum either by right or option, then all such residual proceeds shall be exempt from all taxes imposed by this chapter.”

SECTION 2. Section 3 of Act 67, Session Laws of Hawaii 1977, is amended to read as follows:

“SECTION 3. This Act, upon its approval, shall apply only to property or interests subject to an inheritance tax under chapter 236 of the Hawaii Revised Statutes that passes from any person who dies after December 31, 1977.”

SECTION 3. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.*

SECTION 4. This Act shall take effect on July 1, 1978 and shall apply to all annuities falling under chapter 236, Hawaii Revised Statutes, on or after July 1, 1978; provided that section 2 of this Act shall apply retroactively to January 1, 1978.

(Approved May 31, 1978.)

*Edited accordingly.