

A Bill for an Act Relating to Income Tax.

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

SECTION 1. Section 235-4, Hawaii Revised Statutes, is amended by amending subsection (c) to read:

“(c) When the status of a taxpayer changes during the taxable year from resident to nonresident, or from nonresident to resident, the tax imposed by this chapter applies to the entire income earned during the period of residence in the manner provided in subsection (a) of this section and during the period of non-residence the tax shall apply upon the income received or derived as a nonresi-

dent in the manner provided in subsection (b) of this section; provided that, if it cannot be determined whether income was received or derived during the period of residence or during the period of nonresidence, there shall be attributed to the State such portion of the income as is determined by applying to such income for the whole taxable year the ratio which the period of residence in the State bears to the whole taxable year, unless the taxpayer shows to the satisfaction of the department of taxation that the result is to attribute to the state income, dependent upon residence, received or derived during the period of nonresidence, in which event the amount of income as to which such showing is made shall be excluded.”

SECTION 2. Material to be repealed is bracketed.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 3. This Act, upon its approval, shall apply to taxable years beginning after December 31, 1979.

(Approved May 20, 1978.)

*Edited accordingly.