

**A Bill for an Act Relating to Exemptions.**

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

**SECTION 1.** The legislature finds that the federal Internal Revenue Code was amended by Congress in 1978 to increase the exemption for individuals from \$750 to \$1,000. The legislature further finds that it has been the legislature's desire to conform as closely as possible with the federal Internal Revenue Code in order to make income tax preparation as easy as possible for the people of Hawaii.

The purpose of this Act is to conform the amount individuals are allowed for exemption under the state income tax law to the amount allowed by the federal Internal Revenue Code.

**SECTION 2.** Section 235-54, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) In computing the taxable income of any individual, there shall be deducted, in lieu of the personal exemptions allowed by the Internal Revenue Code, personal exemptions computed as follows: Ascertain the number of exemptions which the individual can lawfully claim under the Internal Revenue Code and multiply that number by the amount as shown below for the corresponding taxable years as follows:

- (1) Effective with respect to taxable years beginning after December 31, 1972, the amount shall be \$750;
- (2) Effective with respect to taxable years beginning after December 31, 1979, the amount shall be \$1,000.

A nonresident shall be entitled to the same personal exemptions as a resident, without proration of the personal exemptions on account of income from sources outside the State.”

SECTION 3. Statutory material to be repealed is bracketed. New material is underscored.\*

SECTION 4. This Act, upon its approval, shall apply to taxable years beginning after December 31, 1979.

(Approved June 7, 1980.)

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\*The text has been edited pursuant to HRS §23G-16.5, authorizing omission of the brackets, bracketed material, and underscoring.