

**ACT 107**

S.B. NO. 2046

A Bill for an Act Relating to Pollution Control Facilities.

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

SECTION 1. Section 235-11, Hawaii Revised Statutes, is repealed.

SECTION 2. Section 235-2.3, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The following Internal Revenue Code subchapters, parts of subchapters, sections, subsections, and parts of subsections shall not be operative for the purposes of this chapter, unless otherwise provided:

- (1) Subchapter A (sections 1 to 59) (with respect to determination of tax liability), except sections 47 and 48, as amended, as of December 31, 1984[,] (with respect to certain depreciable tangible personal property). For treatment, see section 235-110.7.
- (2) Section 78 (with respect to dividends received from certain foreign corporations by domestic corporations choosing foreign tax credit).
- (3) Section 86 (with respect to social security and tier 1 railroad retirement benefits).
- (4) Section 103 (with respect to interest on state and local bonds). For treatment, see section 235-7(b).
- (5) Section 120 (with respect to amounts received under qualified group legal services plans). For treatment, see sections 235-2.4 and 235-7(a)(9) to (11).
- (6) Section 122 (with respect to certain reduced uniformed services retirement pay). For treatment, see section 235-7(a)(3).
- (7) Subchapter B (sections 141 to 150) (with respect to tax exemption requirements for state and local bonds).
- (8) Section 151 (with respect to allowance of deductions for personal exemptions). For treatment, see section 235-54.
- [(9)] Section 169 (with respect to amortization of pollution control facilities). For treatment, see section 235-11.
- [(10)] (9) Section 196 (with respect to deduction for certain unused investment credits).
- [(11)] (10) Subchapter B, part VIII (sections 241 to 250) (with respect to special deductions for corporations), except sections 248 (with respect to organizational expenditures) and 249 (with respect to limitation on deduction of bond premium on repurchase). For treatment, see section 235-7(c).
- [(12)] (11) Section 269A (with respect to personal service corporations formed or availed of to avoid or evade income tax).
- [(13)] (12) Section 280C (with respect to certain expenses for which credits are allowable).
- [(14)] (13) Section 280D (with respect to portion of chapter 45 taxes for which credit or refund is allowable under section 6429).
- [(15)] (14) Section 291 (with respect to special rules relating to corporate preference items).
- [(16)] (15) Section 367 (with respect to foreign corporations).
- [(17)] (16) Section 501(c)(12), (15), (16) (with respect to exempt organizations).
- [(18)] (17) Section 515 (with respect to taxes of foreign countries and possessions of the United States).
- [(19)] (18) Section 521 (with respect to exemption of farmers cooperatives from tax). For treatment, see section 421-23.
- [(20)] (19) Subchapter G (sections 531 to 565) (with respect to corporations used to avoid income tax on shareholders).
- [(21)] (20) Subchapter H (sections 581 to 596) (with respect to banking institutions). For treatment, see chapter 241.
- [(22)] (21) Section 642(a), (b), and (d) (with respect to special rules for credits and deductions).

- [(23)] (22) Section 668 (with respect to interest charge on accumulation distributions from foreign trusts).
- [(24)] (23) Subchapter L (sections 801 to 846) (with respect to insurance companies). For treatment, see sections 431-318 and 431-320.
- [(25)] (24) Section 853 (with respect to foreign tax credit allowed to shareholders). For treatment, see section 235-55.
- [(26)] (25) Subchapter N (sections 861 to 999) (with respect to tax based on income from sources within or without the United States), except part IV (sections 991 to 997) (with respect to domestic international sales corporations). For treatment, see sections 235-4, 235-5, and 235-7(b).
- [(27)] (26) Section 1055 (with respect to redeemable ground rents).
- [(28)] (27) Section 1057 (with respect to election to treat transfer to foreign trust, etc., as taxable exchange).
- [(29)] (28) Section 1201 (with respect to alternative tax). For treatment, see section 235-71(a).
- [(30)] (29) Subchapter Q (sections 1311 to 1351) (with respect to readjustment of tax between years and special limitations).
- [(31)] (30) Subchapter T (sections 1381 to 1388) (with respect to cooperatives and their patrons). For treatment, see chapter 421."

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act, upon its approval, shall apply to taxable years beginning after December 31, 1987.

(Approved May 24, 1988.)

**Note**

- 1. Edited pursuant to HRS §23G-16.5.