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August 10, 2004

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2004-13

RE: Act 195, Session Laws of Hawaii 2004, Relating to Taxation (Act 195)

On July 9, 2004, the Governor signed H.B. No. 1848, H.D. 1, S.D. 2, C.D. 1, into law as Act 195. Act 195 permits a tax deduction of up to $3,000 for one tax year out of every three consecutive tax years for an individual taxpayer's qualified expenditures to maintain an exceptional tree that is on the taxpayer's private land and is designated as an exceptional tree by the local county arborist committee under chapter 58, Hawaii Revised Statutes (HRS). The deduction shall be permitted only for expenses up to $3,000 (excluding interest) and only for amounts that are deemed "reasonably necessary" by a certified arborist.

Pursuant to chapter 58, HRS, the county arborist committees have regulatory authority over exceptional trees. Taxpayers should consult their local county arborist committee before conducting any maintenance on an exceptional tree.

This law became effective upon its approval, and shall apply to tax years beginning after December 31, 2003.

Current tax forms and other tax information are available at the Department of Taxation's website at: www.state.hi.us/tax. If you know which tax form or publication you need, please call the Department's request line at 808-587-7572, or toll-free from the neighbor islands and continental U.S. at 1-800-222-7572. This service is available 24 hours a day, 7 days a week.

KURT KAWAFUCHI
Director of Taxation

HRS Section Explained: HRS section 235-__.