NEIL ABERCROMBIE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR

FREDERICK D. PABLO
DIRECTOR OF TAXATION

JOSHUA WISCH
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

August 1, 2013

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2013-07

RE: Act 43, Session Laws of Hawaii 2013, Relating to Conformity of the Hawaii Income Tax Law to the Internal Revenue Code

On April 23, 2013, Governor Neil Abercrombie signed into law Senate Bill 1184, S.D. 1, as Act 43, Session Laws of Hawaii 2013 (Act 43). Act 43 provides for conforming amendments to Chapter 235, Hawaii Revised Statutes (HRS), based upon amendments made to the Internal Revenue Code (IRC) for the calendar year 2012 and the federal American Taxpayer Relief Act of 2012 (Taxpayer Relief Act) which was enacted on January 2, 2013.

Section 235-2.5(c), HRS, mandates that the Department of Taxation submit to each regular session of the Legislature, a bill that amends Hawaii Income Tax Law to conform to the changes in the IRC for the previous calendar year.

Section 2 of Act 43 amends section 235-2.3(a), HRS, to conform the Hawaii Income Tax Law to the operative IRC sections of Subtitle A, Chapter 1, amended as of January 2, 2013. Generally, Subtitle A, Chapter 1, refers to sections 1 through 1400T, IRC. The date was amended to January 2, 2013, instead of December 31, 2012, in order to conform to the IRC amendments implemented by the enactment of the Taxpayer Relief Act.

The following are the relevant federal laws that were enacted from January 1, 2012 through January 2, 2013. The specific impact of each federal law on Hawaii Income Tax Law will be published in the 2013 Digest of Tax Measures.

1. FAA Air Transportation Modernization and Safety Improvement Act (P.L. No. 112-95; February 14, 2012)

2. Moving Ahead for Progress in the 21st Century Act (P.L. No. 112-141; June 29, 2012)

3. African Growth and Opportunity Act (P.L. No. 112-163; August 10, 2012)

4. American Taxpayer Relief Act (P.L. No. 112-240; January 2, 2013)

For more information on this issue, please contact the Rules Office at 808-587-1577 or by e-mail at Tax.Rules.Office@hawaii.gov.

FREDERICK D. PABLO
Director of Taxation