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GOVERNOR

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## DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2012-03

RE: Act 220, Session Laws of Hawaii 2012, Relating to Taxation

On July 5, 2012, Governor Neil Abercrombie signed into law House Bill 2328, H.D. 1 S.D. 1, C.D. 1, as Act 220, Session Laws of Hawaii 2012. Act 220 has two major components. The first establishes a revised Estate and Generation-Skipping Transfer Tax as a new chapter within the Hawaii Revised Statutes, and is effective for decedents dying or taxable transfers occurring after January 25, 2012. The second component extends the provisions of Act 166, Session Laws of Hawaii 2007, which exempts from taxation the capital gains realized on the sale of the fee interest in leasehold condominium units when sold to the association of apartment owners or residential cooperative corporations, (which had been scheduled to sunset on January 1, 2013) until January 1, 2018.

The revised Estate and Generation-Skipping Transfer Tax is intended to more closely track the federal estate and generation skipping tax, including calculation of the gross estate, taxable estate, exemption amounts, and the deceased spousal unused exemption.

The Department is currently in the process of preparing forms and instructions for the estate and generation skipping tax and anticipates that they will be available shortly.

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](mailto:Tax.Rules.Office@hawaii.gov).

A handwritten signature in black ink that reads "Frederick D. Pablo". The signature is written in a cursive, flowing style.

FREDERICK D. PABLO  
Director of Taxation