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# A BILL FOR AN ACT

RELATING TO THE REPEAL OF ESTATE AND TRANSFER TAXES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1           SECTION 1. The legislature finds that any tax on death,  
2 whether labeled an inheritance, estate, or transfer tax, is an  
3 insult to the dignity of life and the right to private property.

4           Death taxes raise little money for the State. In the 2015-  
5 2016 fiscal year, Hawaii's estate and transfer tax totaled only  
6 \$49.6 million and accounted for just 0.7 percent of general fund  
7 revenues. This was the most the estate and transfer tax raised  
8 since its reinstatement in 2010. Death taxes' limited revenue-  
9 generating ability is far outweighed by its negative impact on  
10 the overall economic wellbeing of the citizens of Hawaii.

11           Death taxes create powerful disincentives that discourage  
12 wealth-generating activities from which everyone in Hawaii  
13 stands to benefit. After Delaware and New Jersey repealed their  
14 estate taxes in 2017, Hawaii is one of only eleven states, plus  
15 the District of Columbia, to impose such tax. To avoid Hawaii's  
16 heavy death taxes, aging affluent people often divert liquid  
17 cash or capital away from wealth-generating investments in



1 Hawaii to the mainland. Local families who worked hard to build  
 2 small businesses or farms should not have to make this choice.  
 3 Death taxes are an unjust form of double taxation that  
 4 discourages healthy economic growth and further wealth creation  
 5 in our State.

6 The purpose of this bill is to repeal the excessive  
 7 taxation imposed on the transfer of property upon death.

8 SECTION 2. Chapter 236D, Hawaii Revised Statutes, is  
 9 repealed.

10 SECTION 3. Chapter 236E, Hawaii Revised Statutes, is  
 11 repealed.

12 SECTION 4. This Act shall take effect on July 1, 2019.

INTRODUCED BY: RL M... ..  
 JAN 22 2019



# H.B. NO. 742

**Report Title:**

Repealing estate and transfer taxes

**Description:**

Repeals estate and transfer taxes that act as a form of double taxation on individual tax payers.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

