



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

GOV. MSG. NO. 640

May 19, 2006

The Honorable Robert Bunda, President
and Members of the Senate
Twenty-Third State Legislature
State Capitol, Room 003
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

This is to inform you that on May 19, 2006, the following bill was signed into law:

HB957 HD1 SD1 CD1

A BILL FOR AN ACT RELATING TO
TAXATION.
(ACT 110)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Hawaii's resurging economy and the positive
2 economic trend forecast for both Hawaii and the nation has
3 resulted in a substantial budget surplus, providing lawmakers
4 the chance to offer tax relief after years of budget
5 constraints.

6 In its most recent report, the tax review commission stated
7 that the state income tax brackets are so compressed that people
8 on public assistance pay income taxes, while the highest rate
9 for married taxpayers filing jointly begins when their taxable
10 income reaches just over \$80,000. Today, the median income of a
11 family of four in Hawaii, with both parents working, is
12 approximately \$70,000. This means that if this hypothetical
13 middle class family earned only \$900 more each month, they would
14 be taxed in the same bracket as a family with an annual income
15 of \$900,000.

16 The legislature finds that the current Hawaii income
17 taxation tables actually impose a financial penalty on most
18 middle class families in Hawaii. Comparisons with the average



H.B. NO. 957
H.D. 1
S.D. 1
C.D. 1

APPROVED this 19 day of MAY, 2006



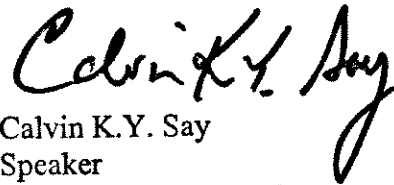
GOVERNOR OF THE STATE OF HAWAII

HB No. 957 HD 1 SD 1 CD 1

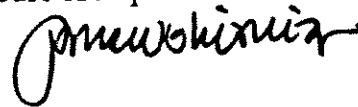
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 4, 2006
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the House of Representatives of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.



Calvin K. Y. Say
Speaker
House of Representatives



Patricia Mau-Shimizu
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAII

Date: May 4, 2006
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the Senate of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.



Robert Bunda
President of the Senate



Paul Kawaguchi
Clerk of the Senate