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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. Section 235-2.4, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3           "(a) Section 63 (with respect to taxable income defined)  
4 of the Internal Revenue Code shall be operative for the purposes  
5 of this chapter, except that the standard deduction amount in  
6 section 63(c) of the Internal Revenue Code shall instead mean:

7           (1) [~~\$1,900~~] \$3,800 in the case of:

8                   (A) A joint return as provided by section 235-93; or

9                   (B) A surviving spouse (as defined in section 2(a) of  
10 the Internal Revenue Code);

11           (2) [~~\$1,650~~] \$3,300 in the case of a head of household (as  
12 defined in section 2(b) of the Internal Revenue Code);

13           (3) [~~\$1,500~~] \$3,000 in the case of an individual who is  
14 not married and who is not a surviving spouse or head  
15 of household; or

16           (4) [~~\$950~~] \$1,900 in the case of a married individual  
17 filing a separate return.



1 Section 63(c)(4) shall not be operative in this State.

2 Section 63(c)(5) shall be operative, except that the limitation  
3 on basic standard deduction in the case of certain dependents  
4 shall be the greater of \$500 or such individual's earned income.

5 Section 63(f) shall not be operative in this State.

6 The standard deduction amount for nonresidents shall be  
7 calculated pursuant to section 235-5."

8 SECTION 2. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 3. This Act, upon its approval, shall apply to  
11 taxable years beginning after December 31, 2005.

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INTRODUCED BY:

Pat Johnson  
Calvin H. King  
K. SIC Caldwell  
[Signature]

JAN 11 2006



HB 1799

**Report Title:**

Income Tax; Standard Deduction

**Description:**

Doubles the standard deduction in all categories of the state income tax.

