

1 defined in section 2(b) of the Internal Revenue
2 Code);

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

6 ~~[(4)]~~ (D) \$950 in the case of a married individual filing a
7 separate return.

8 (2) For any taxable year beginning after December 31, 2006
9 and before January 1, 2008:

10 (A) \$3,000 in the case of:

11 (i) A joint return as provided by section 235-
12 93; or

13 (ii) A surviving spouse (as defined in section
14 2(a) of the Internal Revenue Code);

15 (B) \$2,300 in the case of a head of household (as
16 defined in section 2(b) of the Internal Revenue
17 Code);

18 (C) \$1,500 in the case of an individual who is not
19 married and who is not a surviving spouse or head
20 of household; or

21 (D) \$1,500 in the case of a married individual filing
22 a separate return.



1 (3) For any taxable year beginning after December 31, 2007
2 and before January 1, 2009:

3 (A) \$4,000 in the case of:

4 (i) A joint return as provided by section 235-
5 93; or

6 (ii) A surviving spouse (as defined in section
7 2(a) of the Internal Revenue Code);

8 (B) \$3,000 in the case of a head of household (as
9 defined in section 2(b) of the Internal Revenue
10 Code);

11 (C) \$2,000 in the case of an individual who is not
12 married and who is not a surviving spouse or head
13 of household; or

14 (D) \$2,000 in the case of a married individual filing
15 a separate return.

16 (4) For any taxable year beginning after December 31,
17 2008:

18 (A) \$5,000 in the case of:

19 (i) A joint return as provided by section 235-
20 93; or

21 (ii) A surviving spouse (as defined in section
22 2(a) of the Internal Revenue Code);



- 1 (B) \$3,650 in the case of a head of household (as
2 defined in section 2(b) of the Internal Revenue
3 Code);
- 4 (C) \$2,500 in the case of an individual who is not
5 married and who is not a surviving spouse or head
6 of household; or
- 7 (D) \$2,500 in the case of a married individual filing
8 a separate return.

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

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

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

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

16 SECTION 3. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

1 SECTION 4. This Act shall take effect upon its approval
 2 and shall apply to taxable years beginning after December 31,
 3 2006.

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JAN 20 2006



HB 2015

Report Title:

Standard Deduction for Individual Income Tax

Description:

Raises the Hawaii standard deduction over a three-year period starting in 2007.

