
A BILL FOR AN ACT

RELATING TO TAX EXEMPTION.

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

1 SECTION 1. Section 235-54, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) In computing the taxable income of any individual,
4 there shall be deducted, in lieu of the personal exemptions
5 allowed by the Internal Revenue Code, personal exemptions
6 computed as follows: Ascertain the number of exemptions which
7 the individual can lawfully claim under the Internal Revenue
8 Code, add an additional exemption for the taxpayer or the
9 taxpayer's spouse who is sixty-five years of age or older within
10 the taxable year, and multiply that number by:

11 (1) \$1,040, for taxable years [~~beginning~~] after December
12 31, 1984[-], but before January 1, 2007;

13 (2) \$1,400, for the taxable year after December 31, 2006,
14 but before January 1, 2008;

15 (3) \$1,700, for taxable years beginning after December 31,
16 2007, but before January 1, 2009; and

17 (4) \$2,000, for taxable years beginning after December 31,
18 2008.



1 A nonresident shall prorate the personal exemptions on account
 2 of income from sources outside the State as provided in section
 3 235-5. In the case of an individual with respect to whom an
 4 exemption under this section is allowable to another taxpayer
 5 for a taxable year beginning in the calendar year in which the
 6 individual's taxable year begins, the personal exemption amount
 7 applicable to such individual under this subsection for such
 8 individual's taxable year shall be zero."

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 Statutory material to be repealed is bracketed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

11 SECTION 3. This Act shall take effect upon its approval.

12

INTRODUCED BY:

[Handwritten signatures: Paul, James Smith, and Tony Water]



H.B. No. 2268

Report Title:

Tax Exemption

Description:

Raises the personal tax exemption to \$1,400 in 2007, \$1,700 in 2008, and \$2,000 in 2009 and thereafter.

