
A BILL FOR AN ACT

RELATING TO THE INCOME TAX.

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

1 SECTION 1. Section 235-51, Hawaii Revised Statutes, is
2 amended by amending subsections (a), (b), and (c) to read as
3 follows:

4 "(a) There is hereby imposed on the taxable income of (1)
5 every taxpayer who files a joint return under section 235-93;
6 and (2) every surviving spouse a tax determined in accordance
7 with the following table:

8 In the case of any taxable year beginning after December
9 31, 1998:

10	If the taxable income is:	The tax shall be:
11	Not over \$4,000	1.60% of taxable income
12	Over \$4,000 but	\$64.00 plus 3.90% of
13	not over \$8,000	excess over \$4,000
14	Over \$8,000 but	\$220.00 plus 6.80% of
15	not over \$16,000	excess over \$8,000
16	Over \$16,000 but	\$764.00 plus 7.20% of
17	not over \$24,000	excess over \$16,000
18	Over \$24,000 but	\$1,340.00 plus 7.50% of



1	not over \$32,000	excess over \$24,000
2	Over \$32,000 but	\$1,940.00 plus 7.80% of
3	not over \$40,000	excess over \$32,000
4	Over \$40,000 but	\$2,564.00 plus 8.20% of
5	not over \$60,000	excess over \$40,000
6	Over \$60,000 but	\$4,204.00 plus 8.50% of
7	not over \$80,000	excess over \$60,000
8	Over \$80,000	\$5,904.00 plus 8.75% of
9		excess over \$80,000
10	In the case of any taxable year beginning after December	
11	31, 2000:	
12	If the taxable income is:	The tax shall be:
13	Not over \$4,000	1.50% of taxable income
14	Over \$4,000 but	\$60.00 plus 3.70% of
15	not over \$8,000	excess over \$4,000
16	Over \$8,000 but	\$208.00 plus 6.40% of
17	not over \$16,000	excess over \$8,000
18	Over \$16,000 but	\$720.00 plus 6.90% of
19	not over \$24,000	excess over \$16,000
20	Over \$24,000 but	\$1,272.00 plus 7.30% of
21	not over \$32,000	excess over \$24,000
22	Over \$32,000 but	\$1,856.00 plus 7.60% of



1	not over \$40,000	excess over \$32,000
2	Over \$40,000 but	\$2,464.00 plus 7.90% of
3	not over \$60,000	excess over \$40,000
4	Over \$60,000 but	\$4,044.00 plus 8.20% of
5	not over \$80,000	excess over \$60,000
6	Over \$80,000	\$5,684.00 plus 8.50% of
7		excess over \$80,000
8	In the case of any taxable year beginning after December	
9	31, 2001:	
10	If the taxable income is:	The tax shall be:
11	Not over \$4,000	1.40% of taxable income
12	Over \$4,000 but	\$56.00 plus 3.20% of
13	not over \$8,000	excess over \$4,000
14	Over \$8,000 but	\$184.00 plus 5.50% of
15	not over \$16,000	excess over \$8,000
16	Over \$16,000 but	\$624.00 plus 6.40% of
17	not over \$24,000	excess over \$16,000
18	Over \$24,000 but	\$1,136.00 plus 6.80% of
19	not over \$32,000	excess over \$24,000
20	Over \$32,000 but	\$1,680.00 plus 7.20% of
21	not over \$40,000	excess over \$32,000
22	Over \$40,000 but	\$2,256.00 plus 7.60% of



1	not over \$60,000	excess over \$40,000
2	Over \$60,000 but	\$3,776.00 plus 7.90% of
3	not over \$80,000	excess over \$60,000
4	Over \$80,000	\$5,356.00 plus 8.25% of
5		excess over \$80,000

6 In the case of any taxable year beginning after December
7 31, 2006:

8	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
9	<u>Not over \$32,000</u>	<u>1.40% of taxable income</u>
10	<u>Over \$32,000 but</u>	<u>\$1,680.00 plus 7.20% of</u>
11	<u>not over \$40,000</u>	<u>excess over \$32,000</u>
12	<u>Over \$40,000 but</u>	<u>\$2,256.00 plus 7.60% of</u>
13	<u>not over \$60,000</u>	<u>excess over \$40,000</u>
14	<u>Over \$60,000 but</u>	<u>\$3,776.00 plus 7.90% of</u>
15	<u>not over \$80,000</u>	<u>excess over \$60,000</u>
16	<u>Over \$80,000</u>	<u>\$5,356.00 plus 8.25% of</u>
17		<u>excess over \$80,000</u>

18 (b) There is hereby imposed on the taxable income of every
19 head of a household a tax determined in accordance with the
20 following table:

21 In the case of any taxable year beginning after December
22 31, 1998:



H.B. NO. 3021

1	If the taxable income is:	The tax shall be:
2	Not over \$3,000	1.60% of taxable income
3	Over \$3,000 but	\$48.00 plus 3.90% of
4	not over \$6,000	excess over \$3,000
5	Over \$6,000 but	\$165.00 plus 6.80% of
6	not over \$12,000	excess over \$6,000
7	Over \$12,000 but	\$573.00 plus 7.20% of
8	not over \$18,000	excess over \$12,000
9	Over \$18,000 but	\$1,005.00 plus 7.50% of
10	not over \$24,000	excess over \$18,000
11	Over \$24,000 but	\$1,455.00 plus 7.80% of
12	not over \$30,000	excess over \$24,000
13	Over \$30,000 but	\$1,923.00 plus 8.20% of
14	not over \$45,000	excess over \$30,000
15	Over \$45,000 but	\$3,153.00 plus 8.50% of
16	not over \$60,000	excess over \$45,000
17	Over \$60,000	\$4,428.00 plus 8.75% of
18		excess over \$60,000

19 In the case of any taxable year beginning after December
20 31, 2000:

21	If the taxable income is:	The tax shall be:
22	Not over \$3,000	1.50% of taxable income



H.B. NO. 3021

1	Over \$3,000 but	\$45.00 plus 3.70% of
2	not over \$6,000	excess over \$3,000
3	Over \$6,000 but	\$156.00 plus 6.40% of
4	not over \$12,000	excess over \$6,000
5	Over \$12,000 but	\$540.00 plus 6.90% of
6	not over \$18,000	excess over \$12,000
7	Over \$18,000 but	\$954.00 plus 7.30% of
8	not over \$24,000	excess over \$18,000
9	Over \$24,000 but	\$1,392.00 plus 7.60% of
10	not over \$30,000	excess over \$24,000
11	Over \$30,000 but	\$1,848.00 plus 7.90% of
12	not over \$45,000	excess over \$30,000
13	Over \$45,000 but	\$3,033.00 plus 8.20% of
14	not over \$60,000	excess over \$45,000
15	Over \$60,000	\$4,263.00 plus 8.50% of
16		excess over \$60,000
17	In the case of any taxable year beginning after December	
18	31, 2001:	
19	If the taxable income is:	The tax shall be:
20	Not over \$3,000	1.40% of taxable income
21	Over \$3,000 but	\$42.00 plus 3.20% of
22	not over \$6,000	excess over \$3,000



1	Over \$6,000 but	\$138.00 plus 5.50% of
2	not over \$12,000	excess over \$6,000
3	Over \$12,000 but	\$468.00 plus 6.40% of
4	not over \$18,000	excess over \$12,000
5	Over \$18,000 but	\$852.00 plus 6.80% of
6	not over \$24,000	excess over \$18,000
7	Over \$24,000 but	\$1,260.00 plus 7.20% of
8	not over \$30,000	excess over \$24,000
9	Over \$30,000 but	\$1,692.00 plus 7.60% of
10	not over \$45,000	excess over \$30,000
11	Over \$45,000 but	\$2,832.00 plus 7.90% of
12	not over \$60,000	excess over \$45,000
13	Over \$60,000	\$4,017.00 plus 8.25% of
14		excess over \$60,000

15 In the case of any taxable year beginning after December

16 31, 2006:

17	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
18	<u>Not over \$32,000</u>	<u>1.40% of taxable income</u>
19	<u>Over \$32,000 but</u>	<u>\$1,692.00 plus 7.60% of</u>
20	<u>not over \$45,000</u>	<u>excess over \$32,000</u>
21	<u>Over \$45,000 but</u>	<u>\$2,832.00 plus 7.90% of</u>
22	<u>not over \$60,000</u>	<u>excess over \$45,000</u>



1	Over \$20,000 but	\$1,282.00 plus 8.20% of
2	not over \$30,000	excess over \$20,000
3	Over \$30,000 but	\$2,102.00 plus 8.50% of
4	not over \$40,000	excess over \$30,000
5	Over \$40,000	\$2,952.00 plus 8.75% of
6		excess over \$40,000
7	In the case of any taxable year beginning after December	
8	31, 2000:	
9	If the taxable income is:	The tax shall be:
10	Not over \$2,000	1.50% of taxable income
11	Over \$2,000 but	\$30.00 plus 3.70% of
12	not over \$4,000	excess over \$2,000
13	Over \$4,000 but	\$104.00 plus 6.40% of
14	not over \$8,000	excess over \$4,000
15	Over \$8,000 but	\$360.00 plus 6.90% of
16	not over \$12,000	excess over \$8,000
17	Over \$12,000 but	\$636.00 plus 7.30% of
18	not over \$16,000	excess over \$12,000
19	Over \$16,000 but	\$928.00 plus 7.60% of
20	not over \$20,000	excess over \$16,000
21	Over \$20,000 but	\$1,232.00 plus 7.90% of
22	not over \$30,000	excess over \$20,000



1	Over \$30,000 but	\$2,022.00 plus 8.20% of
2	not over \$40,000	excess over \$30,000
3	Over \$40,000	\$2,842.00 plus 8.50% of
4		excess over \$40,000
5	In the case of any taxable year beginning after December	
6	31, 2001:	
7	If the taxable income is:	The tax shall be:
8	Not over \$2,000	1.40% of taxable income
9	Over \$2,000 but	\$28.00 plus 3.20% of
10	not over \$4,000	excess over \$2,000
11	Over \$4,000 but	\$92.00 plus 5.50% of
12	not over \$8,000	excess over \$4,000
13	Over \$8,000 but	\$312.00 plus 6.40% of
14	not over \$12,000	excess over \$8,000
15	Over \$12,000 but	\$568.00 plus 6.80% of
16	not over \$16,000	excess over \$12,000
17	Over \$16,000 but	\$840.00 plus 7.20% of
18	not over \$20,000	excess over \$16,000
19	Over \$20,000 but	\$1,128.00 plus 7.60% of
20	not over \$30,000	excess over \$20,000
21	Over \$30,000 but	\$1,888.00 plus 7.90% of
22	not over \$40,000	excess over \$30,000



1 Over \$40,000 \$2,678.00 plus 8.25% of
 2 excess over \$40,000

3 In the case of any taxable year beginning after December
 4 31, 2006:

5 <u>If the taxable income is:</u>	<u>The tax shall be:</u>
6 <u>Not over \$32,000</u>	<u>1.40% of taxable income</u>
7 <u>Over \$32,000 but</u>	<u>\$1,888.00 plus 7.90% of</u>
8 <u>not over \$40,000</u>	<u>excess over \$32,000</u>
9 <u>Over \$40,000</u>	<u>\$2,678.00 plus 8.25% of</u>
10	<u>excess over \$40,000"</u>

11 SECTION 2. New statutory material is underscored.

12 SECTION 3. This Act shall take effect upon its approval
 13 and shall apply to taxable years beginning after December 31,
 14 2006.

15 INTRODUCED BY: [Signature]
[Signature]
[Signature]

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

[Signature]
 KERIC Caldwell
Michael P. Kalubina
[Signature]
[Signature]
[Signature]

HB 3021

Report Title:

Income Tax; Reduction in Rates; "Flat" Tax Rate

Description:

Reduces the income tax rate to 1.4 percent on income earned up through \$32,000 for surviving spouses, married couples filing jointly, married couples filing separately, individuals, and head of households.

