

JAN 25 2006

A BILL FOR AN ACT

RELATING TO THE STANDARD TAX DEDUCTION AMOUNT.

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~~] \$ _____ 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~~] \$ _____ in the case of a head of household
12 (as defined in section 2(b) of the Internal Revenue
13 Code);

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

17 (4) [~~\$950~~] \$ _____ in the case of a married individual
18 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~~] the individual's earned
5 income. 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 Statutory material to be repealed is bracketed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 shall take effect upon its approval
11 and shall apply to taxable years beginning after December 31,
12 2005.

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INTRODUCED BY: 



SB. NO. 2568

Report Title:

Taxation; Standard Deduction

Description:

Provides a vehicle for the state standard deduction with a blank amount.

