

JAN 24 2007

A BILL FOR AN ACT

RELATING TO INCOME TAX.

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

1 SECTION 1. The purpose of this Act is to increase the
2 lowest income tax threshold to one hundred twenty-five per cent
3 of the federal poverty and to create a new top tier rate, the
4 impact of which shall be revenue neutral.

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

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

12 ~~[In the case of any taxable year beginning after~~
13 ~~December 31, 2001:~~

14	If the taxable income is:	The tax shall be:
15	Not over \$4,000	1.40% of taxable income
16	Over \$4,000 but	\$56.00 plus 3.20% of
17	not over \$8,000	excess over \$4,000



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1	Over \$8,000 but	\$184.00 plus 5.50% of
2	not over \$16,000	excess over \$8,000
3	Over \$16,000 but	\$624.00 plus 6.40% of
4	not over \$24,000	excess over \$16,000
5	Over \$24,000 but	\$1,136.00 plus 6.80% of
6	not over \$32,000	excess over \$24,000
7	Over \$32,000 but	\$1,680.00 plus 7.20% of
8	not over \$40,000	excess over \$32,000
9	Over \$40,000 but	\$2,256.00 plus 7.60% of
10	not over \$60,000	excess over \$40,000
11	Over \$60,000 but	\$3,776.00 plus 7.90% of
12	not over \$80,000	excess over \$60,000
13	Over \$80,000	\$5,356.00 plus 8.25% of
14		excess over \$80,000.]

15 ~~[In the case of]~~ For any taxable year beginning after
16 December 31, 2006:

17	If the taxable income is:	The tax shall be:
18	[Not over \$4,800	1.40% of taxable income]
19	Not over \$ _____	_____ % of taxable income
20	Over \$4,800 but	\$67.00 plus 3.20% of
21	not over \$9,600	excess over \$4,800
22	Over \$9,600 but	\$221.00 plus 5.50% of



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1	not over \$19,200	excess over \$9,600
2	Over \$19,200 but	\$749.00 plus 6.40% of
3	not over \$28,800	excess over \$19,200
4	Over \$28,800 but	\$1,363.00 plus 6.80% of
5	not over \$38,400	excess over \$28,800
6	Over \$38,400 but	\$2,016.00 plus 7.20% of
7	not over \$48,000	excess over \$38,400
8	Over \$48,000 but	\$2,707.00 plus 7.60% of
9	not over \$72,000	excess over \$48,000
10	Over \$72,000 but	\$4,531.00 plus 7.90% of
11	not over \$96,000	excess over \$72,000
12	Over \$96,000 <u>but</u>	\$6,427.00 plus 8.25% of
13	<u>not over \$</u> _____	excess over \$96,000 [-]
14	<u>Over \$</u> _____	<u>\$</u> _____ <u>plus</u> _____ <u>%</u>
15	_____	<u>of excess over \$</u> _____ .

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

19 ~~[In the case of any taxable year beginning after~~
 20 ~~December 31, 2001:~~

21	If the taxable income is:	The tax shall be:
22	Not over \$3,000	1.40% of taxable income



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1	Over \$3,000 but	\$42.00 plus 3.20% of
2	not over \$6,000	excess over \$3,000
3	Over \$6,000 but	\$138.00 plus 5.50% of
4	not over \$12,000	excess over \$6,000
5	Over \$12,000 but	\$468.00 plus 6.40% of
6	not over \$18,000	excess over \$12,000
7	Over \$21,600 but	\$852.00 plus 6.80% of
8	not over \$24,000	excess over \$18,000
9	Over \$24,000 but	\$1,260.00 plus 7.20% of
10	not over \$30,000	excess over \$24,000
11	Over \$30,000 but	\$1,692.00 plus 7.60% of
12	not over \$45,000	excess over \$30,000
13	Over \$45,000 but	\$2,832.00 plus 7.90% of
14	not over \$60,000	excess over \$45,000
15	Over \$60,000	\$4,017.00 plus 8.25% of
16		excess over \$60,000.]

17 ~~[In the case of]~~ For any taxable year beginning after
 18 December 31, 2006:

19	If the taxable income is:	The tax shall be:
20	[Not over \$3,600	1.40% of taxable income]
21	Not over \$ _____	_____ % of taxable income
22	Over \$3,600 but	\$50.00 plus 3.20% of



1	not over \$7,200	excess over \$3,600
2	Over \$7,200 but	\$166.00 plus 5.50% of
3	not over \$14,400	excess over \$7,200
4	Over \$14,400 but	\$562.00 plus 6.40% of
5	not over \$21,600	excess over \$14,400
6	Over \$21,600 but	\$1,022.00 plus 6.80% of
7	not over \$28,800	excess over \$21,600
8	Over \$28,800 but	\$1,512.00 plus 7.20% of
9	not over \$36,000	excess over \$28,000
10	Over \$36,000 but	\$2,030.00 plus 7.60% of
11	not over \$54,000	excess over \$36,000
12	Over \$54,000 but	\$3,398.00 plus 7.90% of
13	not over \$72,000	excess over \$54,000
14	Over \$72,000 <u>but</u>	\$4,820.00 plus 8.25% of
15	<u>not over \$</u> _____	excess over \$72,000 [-]
16	<u>Over \$</u> _____	<u>\$</u> _____ <u>plus</u> _____ <u>% of</u>
17		<u>excess over</u> _____ .

18 (c) There is hereby imposed on the taxable income of (1)
19 every unmarried individual (other than a surviving spouse, or
20 the head of a household) and (2) on the taxable income of every
21 married individual who does not make a single return jointly



1 with the individual's spouse under section 235-93 a tax
 2 determined in accordance with the following table:

3 ~~[In the case of any taxable year beginning after~~
 4 ~~December 31, 2001:~~

5	If the taxable income is:	The tax shall be:
6	Not over \$2,000	1.40% of taxable income
7	Over \$2,000 but	\$28.00 plus 3.20% of
8	not over \$4,000	excess over \$2,000
9	Over \$4,000 but	\$92.00 plus 5.50% of
10	not over \$8,000	excess over \$4,000
11	Over \$8,000 but	\$312.00 plus 6.40% of
12	not over \$12,000	excess over \$8,000
13	Over \$12,000 but	\$568.00 plus 6.80% of
14	not over \$16,000	excess over \$12,000
15	Over \$16,000 but	\$840.00 plus 7.20% of
16	not over \$20,000	excess over \$16,000
17	Over \$20,000 but	\$1,128.00 plus 7.60% of
18	not over \$30,000	excess over \$20,000
19	Over \$30,000 but	\$1,888.00 plus 7.90% of
20	not over \$40,000	excess over \$30,000
21	Over \$40,000	\$2,678.00 plus 8.25% of
22		excess over \$40,000.]



1	[In the case of] <u>For</u> any taxable year beginning after	
2	December 31, 2006:	
3	If the taxable income is:	The tax shall be:
4	[Not over \$2,400	1.40% of taxable income]
5	<u>Not over \$</u>	<u>% of taxable income</u>
6	Over \$2,400 but	\$34.00 plus 3.20% of
7	not over \$4,800	excess over \$2,400
8	Over \$4,800 but	\$110.00 plus 5.50% of
9	not over \$9,600	excess over \$4,800
10	Over \$9,600 but	\$374.00 plus 6.40% of
11	not over \$14,400	excess over \$9,600
12	Over \$14,400 but	\$682.00 plus 6.80% of
13	not over \$19,200	excess over \$14,400
14	Over \$19,200 but	\$1,008.00 plus 7.20% of
15	not over \$24,000	excess over \$19,200
16	Over \$24,000 but	\$1,354.00 plus 7.60% of
17	not over \$36,000	excess over \$24,000
18	Over \$36,000 but	\$2,266.00 plus 7.90% of
19	not over \$48,000	excess over \$36,000
20	Over \$48,000 <u>but</u>	\$3,214.00 plus 8.25% of
21	<u>not over \$</u>	excess over \$48,000 [-]

Report Title:

Income Tax

Description:

Increases the lowest income tax threshold to one hundred twenty-five per cent of the federal poverty rate and creates a new top tier rate, the impact of which shall be revenue neutral.

