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## A BILL FOR AN ACT

RELATING TO TAXATION.

**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  
9 December 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



1	not over \$32,000	excess over \$24,000
2	Over \$32,000 but	\$1,680.00 plus 7.20% of
3	not over \$40,000	excess over \$32,000
4	Over \$40,000 but	\$2,256.00 plus 7.60% of
5	not over \$60,000	excess over \$40,000
6	Over \$60,000 but	\$3,776.00 plus 7.90% of
7	not over \$80,000	excess over \$60,000
8	Over \$80,000	\$5,356.00 plus 8.25% of
9		excess over \$80,000.

10 In the case of any taxable year beginning after  
11 December 31, 2006:

12	If the taxable income is:	The tax shall be:
13	Not over \$4,800	1.40% of taxable income
14	Over \$4,800 but	\$67.00 plus 3.20% of
15	not over \$9,600	excess over \$4,800
16	Over \$9,600 but	\$221.00 plus 5.50% of
17	not over \$19,200	excess over \$9,600
18	Over \$19,200 but	\$749.00 plus 6.40% of
19	not over \$28,800	excess over \$19,200
20	Over \$28,800 but	\$1,363.00 plus 6.80% of
21	not over \$38,400	excess over \$28,800
22	Over \$38,400 but	\$2,016.00 plus 7.20% of



1	not over \$48,000	excess over \$38,400
2	Over \$48,000 but	\$2,707.00 plus 7.60% of
3	not over \$72,000	excess over \$48,000
4	Over \$72,000 but	\$4,531.00 plus 7.90% of
5	not over \$96,000	excess over \$72,000
6	Over \$96,000	\$6,427.00 plus 8.25% of
7		excess over \$96,000.

8 In the case of any taxable year beginning after  
9 December 31, 2008:

10	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
11	<u>Over \$40,000 but</u>	<u>\$2,016.00 plus 7.20% of</u>
12	<u>not over \$48,000</u>	<u>excess over \$40,000</u>
13	<u>Over \$48,000 but</u>	<u>\$2,707.00 plus 7.6% of</u>
14	<u>Not over \$72,000</u>	<u>excess over \$48,000</u>
15	<u>Over \$72,000 but</u>	<u>\$4,531.00 plus 7.90% of</u>
16	<u>not over \$96,000</u>	<u>excess over \$72,000</u>
17	<u>Over \$96,000 but</u>	<u>\$6,427.00 plus 8.25% of</u>
18	<u>not over \$750,000</u>	<u>excess over \$96,000</u>
19	<u>Over \$750,000</u>	<u>\$6,427.00 plus 15.0% of</u>
20		<u>excess over \$750,000.</u>



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

4 In the case of any taxable year beginning after  
5 December 31, 2001:

6	If the taxable income is:	The tax shall be:
7	Not over \$3,000	1.40% of taxable income
8	Over \$3,000 but	\$42.00 plus 3.20% of
9	not over \$6,000	excess over \$3,000
10	Over \$6,000 but	\$138.00 plus 5.50% of
11	not over \$12,000	excess over \$6,000
12	Over \$12,000 but	\$468.00 plus 6.40% of
13	not over \$18,000	excess over \$12,000
14	Over \$18,000	\$852.00 plus 6.80% of
15	but not over \$24,000	excess over \$18,000
16	Over \$24,000 but	\$1,260.00 plus 7.20% of
17	not over \$30,000	excess over \$24,000
18	Over \$30,000 but	\$1,692.00 plus 7.60% of
19	not over \$45,000	excess over \$30,000
20	Over \$45,000 but	\$2,832.00 plus 7.90% of
21	not over \$60,000	excess over \$45,000
22	Over \$60,000	\$4,017.00 plus 8.25% of



1 excess over \$60,000.

2 In the case of any taxable year beginning after

3 December 31, 2006:

4	If the taxable income is:	The tax shall be:
5	Not over \$3,600	1.40% of taxable income
6	Over \$3,600 but	\$50.00 plus 3.20% of
7	not over \$7,200	excess over \$3,600
8	Over \$7,200 but	\$166.00 plus 5.50% of
9	not over \$14,400	excess over \$7,200
10	Over \$14,400 but	\$562.00 plus 6.40% of
11	not over \$21,600	excess over \$14,400
12	Over \$21,600 but	\$1,022.00 plus 6.80% of
13	not over \$28,800	excess over \$21,600
14	Over \$28,800 but	\$1,512.00 plus 7.20% of
15	not over \$36,000	excess over \$28,800
16	Over \$36,000 but	\$2,030.00 plus 7.60% of
17	not over \$54,000	excess over \$36,000
18	Over \$54,000 but	\$3,398.00 plus 7.90% of
19	not over \$72,000	excess over \$54,000
20	Over \$72,000	\$4,820.00 plus 8.25% of
21		excess over \$72,000.



1 In the case of any taxable year beginning after

2 December 31, 2008:

3	<u>Over \$40,000 but</u>	<u>\$2,030.00 plus 7.60% of</u>
4	<u>not over \$54,000</u>	<u>excess over \$40,000</u>
5	<u>Over \$54,000 but</u>	<u>\$3,398.00 plus 7.90% of</u>
6	<u>not over \$72,000</u>	<u>excess over \$54,000</u>
7	<u>Over \$72,000 but</u>	<u>\$4,820.00 plus 8.25% of</u>
8	<u>not over \$750,000</u>	<u>excess over \$72,000</u>
9	<u>Over \$750,000</u>	<u>\$4,820.00 plus 15% of</u>
10		<u>excess over \$750,000.</u>

11 (c) There is hereby imposed on the taxable income of (1)  
 12 every unmarried individual (other than a surviving spouse, or  
 13 the head of a household) and (2) on the taxable income of every  
 14 married individual who does not make a single return jointly  
 15 with the individual's spouse under section 235-93 a tax  
 16 determined in accordance with the following table:

17 In the case of any taxable year beginning after

18 December 31, 2001:

19	If the taxable income is:	The tax shall be:
20	Not over \$2,000	1.40% of taxable income
21	Over \$2,000 but	\$28.00 plus 3.20% of
22	not over \$4,000	excess over \$2,000



1	Over \$4,000 but	\$92.00 plus 5.50% of
2	not over \$8,000	excess over \$4,000
3	Over \$8,000 but	\$312.00 plus 6.40% of
4	not over \$12,000	excess over \$8,000
5	Over \$12,000 but	\$568.00 plus 6.80% of
6	not over \$16,000	excess over \$12,000
7	Over \$16,000 but	\$840.00 plus 7.20% of
8	not over \$20,000	excess over \$16,000
9	Over \$20,000 but	\$1,128.00 plus 7.60% of
10	not over \$30,000	excess over \$20,000
11	Over \$30,000 but	\$1,888.00 plus 7.90% of
12	not over \$40,000	excess over \$30,000
13	Over \$40,000	\$2,678.00 plus 8.25% of
14		excess over \$40,000.

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

17	If the taxable income is:	The tax shall be:
18	Not over \$2,400	1.40% of taxable income
19	Over \$2,400 but	\$34.00 plus 3.20% of
20	not over \$4,800	excess over \$2,400
21	Over \$4,800 but	\$110.00 plus 5.50% of
22	not over \$9,600	excess over \$4,800



1 Over \$9,600 but \$374.00 plus 6.40% of  
2 not over \$14,400 excess over \$9,600  
3 Over \$14,400 but \$682.00 plus 6.80% of  
4 not over \$19,200 excess over \$14,400  
5 Over \$19,200 but \$1,008.00 plus 7.20% of  
6 not over \$24,000 excess over \$19,200  
7 Over \$24,000 but \$1,354.00 plus 7.60% of  
8 not over \$36,000 excess over \$24,000  
9 Over \$36,000 but \$2,266.00 plus 7.90% of  
10 not over \$48,000 excess over \$36,000  
11 Over \$48,000 \$3,214.00 plus 8.25% of  
12 excess over \$48,000.

13 In the case of any taxable year beginning after  
14 December 31, 2008:

15	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
16	<u>Over \$40,000 but</u>	<u>\$2,266.00 plus 7.90% of</u>
17	<u>not over \$48,000</u>	<u>excess over \$40,000</u>
18	<u>Over \$48,000 but</u>	<u>\$3,214.00 plus 8.25% of</u>
19	<u>not over \$750,000</u>	<u>excess over \$48,000</u>
20	<u>Over \$750,000</u>	<u>\$3214.00 plus 15% of</u>
21		<u>excess over \$750,000."</u>





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

3 SECTION 3. This Act shall take effect upon its approval  
4 and shall apply to taxable years beginning after December 31,  
5 2008; provided that this Act shall be repealed on December 31,  
6 2015.

7

INTRODUCED BY: Calvin K. Boy  
JAN 28 2009



**Report Title:**

Income Tax Rates

**Description:**

Exempts the state income tax for individuals who earn less than \$40,000 per year and increases the income tax for individuals who earn \$750,000 or more. Drops dead 12/31/15.

