
A BILL FOR AN ACT

RELATING TO TAXATION.

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) of
4 the Internal Revenue Code shall be operative for the purposes of
5 this chapter, except that the standard deduction amount in
6 section 63(c) of the Internal Revenue Code shall instead mean:
- 7 (1) [~~\$4,000~~] \$4,400 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) [~~\$2,920~~] \$3,212 in the case of a head of household (as
12 defined in section 2(b) of the Internal Revenue Code);
- 13 (3) [~~\$2,000~~] \$2,200 in the case of an individual who is not
14 married and who is not a surviving spouse or head of
15 household; or
- 16 (4) [~~\$2,000~~] \$2,200 in the case of a married individual
17 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 individual's earned income.

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

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

15 In the case of any taxable year beginning after December 31,
16 2001:

If the taxable income is:	The tax shall be:
Not over \$4,000	1.40% of taxable income
Over \$4,000 but not over \$8,000	\$56.00 plus 3.20% of excess over \$4,000
Over \$8,000 but	\$184.00 plus 5.50% of
not over \$16,000	excess over \$8,000



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

13 In the case of any taxable year beginning after December 31,
14 2006:

15	If the taxable income is:	The tax shall be:
16	Not over \$4,800	1.40% of taxable income
17	Over \$4,800 but	\$67.00 plus 3.20% of
18	not over \$9,600	excess over \$4,800
19	Over \$9,600 but	\$221.00 plus 5.50% of
20	not over \$19,200	excess over \$9,600
21	Over \$19,200 but	\$749.00 plus 6.40% of
22	not over \$28,800	excess over \$19,200



1	Over \$28,800 but	\$1,363.00 plus 6.80% of
2	not over \$38,400	excess over \$28,800
3	Over \$38,400 but	\$2,016.00 plus 7.20% of
4	not over \$48,000	excess over \$38,400
5	Over \$48,000 but	\$2,707.00 plus 7.60% of
6	not over \$72,000	excess over \$48,000
7	Over \$72,000 but	\$4,531.00 plus 7.90% of
8	not over \$96,000	excess over \$72,000
9	Over \$96,000	\$6,427.00 plus 8.25% of
10		excess over \$96,000.

11 In the case of any taxable year beginning after December 31,
12 2008:

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



1	<u>Over \$38,400 but</u>	<u>\$2,016.00 plus 7.20% of</u>
2	<u>not over \$48,000</u>	<u>excess over \$38,400</u>
3	<u>Over \$48,000 but</u>	<u>\$2,707.00 plus 7.60% of</u>
4	<u>not over \$72,000</u>	<u>excess over \$48,000</u>
5	<u>Over \$72,000 but</u>	<u>\$4,531.00 plus 7.90% of</u>
6	<u>not over \$96,000</u>	<u>excess over \$72,000</u>
7	<u>Over \$96,000 but</u>	<u>\$6,427.00 plus 8.25% of</u>
8	<u>not over \$300,000</u>	<u>excess over \$96,000</u>
9	<u>Over \$300,000 but</u>	<u>\$23,257.00 plus 9.00% of</u>
10	<u>not over \$350,000</u>	<u>excess over \$300,000</u>
11	<u>Over \$350,000 but</u>	<u>\$27,757.00 plus 10.00% of</u>
12	<u>not over \$400,000</u>	<u>excess over \$350,000</u>
13	<u>Over \$400,000</u>	<u>\$32,757.00 plus 11.00% of</u>
14		<u>excess over \$400,000.</u>

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

18 In the case of any taxable year beginning after December 31,
 19 2001:

20	If the taxable income is:	The tax shall be:
21	Not over \$3,000	1.40% of taxable income
22	Over \$3,000 but	\$42.00 plus 3.20% of



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

16 In the case of any taxable year beginning after December 31,
17 2006:

18	If the taxable income is:	The tax shall be:
19	Not over \$3,600	1.40% of taxable income
20	Over \$3,600 but	\$50.00 plus 3.20% of
21	not over \$7,200	excess over \$3,600
22	Over \$7,200 but	\$166.00 plus 5.50% of



1	not over \$14,400	excess over \$7,200
2	Over \$14,400 but	\$562.00 plus 6.40% of
3	not over \$21,600	excess over \$14,400
4	Over \$21,600 but	\$1,022.00 plus 6.80% of
5	not over \$28,800	excess over \$21,600
6	Over \$28,800 but	\$1,512.00 plus 7.20% of
7	not over \$36,000	excess over \$28,800
8	Over \$36,000 but	\$2,030.00 plus 7.60% of
9	not over \$54,000	excess over \$36,000
10	Over \$54,000 but	\$3,398.00 plus 7.90% of
11	not over \$72,000	excess over \$54,000
12	Over \$72,000	\$4,820.00 plus 8.25% of
13		excess over \$72,000.

14 In the case of any taxable year beginning after December 31,
15 2008:

16	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
17	<u>Not over \$3,600</u>	<u>1.40% of taxable income</u>
18	<u>Over \$3,600 but</u>	<u>\$50.00 plus 3.20% of</u>
19	<u>not over \$7,200</u>	<u>excess over \$3,600</u>
20	<u>Over \$7,200 but</u>	<u>\$166.00 plus 5.50% of</u>
21	<u>not over \$14,400</u>	<u>excess over \$7,200</u>
22	<u>Over \$14,400 but</u>	<u>\$562.00 plus 6.40% of</u>



1	<u>not over \$21,600</u>	<u>excess over \$14,400</u>
2	<u>Over \$21,600 but</u>	<u>\$1,022.00 plus 6.80% of</u>
3	<u>not over \$28,800</u>	<u>excess over \$21,600</u>
4	<u>Over \$28,800 but</u>	<u>\$1,512.00 plus 7.20% of</u>
5	<u>not over \$36,000</u>	<u>excess over \$28,800</u>
6	<u>Over \$36,000 but</u>	<u>\$2,030.00 plus 7.60% of</u>
7	<u>not over \$54,000</u>	<u>excess over \$36,000</u>
8	<u>Over \$54,000 but</u>	<u>\$3,398.00 plus 7.90% of</u>
9	<u>not over \$72,000</u>	<u>excess over \$54,000</u>
10	<u>Over \$72,000 but</u>	<u>\$4,820.00 plus 8.25% of</u>
11	<u>not over \$225,000</u>	<u>excess over \$72,000</u>
12	<u>Over \$225,000 but</u>	<u>\$17,443.00 plus 9.00% of</u>
13	<u>not over \$262,500</u>	<u>excess over \$225,000</u>
14	<u>Over \$262,500 but</u>	<u>\$20,818.00 plus 10.00% of</u>
15	<u>not over \$300,000</u>	<u>excess over \$262,500</u>
16	<u>Over \$300,000</u>	<u>\$24,568.00 plus 11.00% of</u>
17		<u>excess over \$300,000.</u>

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



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

3 In the case of any taxable year beginning after December 31,
4 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 8 not over \$4,000	\$28.00 plus 3.20% of excess over \$2,000
9 Over \$4,000 but 10 not over \$8,000	\$92.00 plus 5.50% of excess over \$4,000
11 Over \$8,000 but 12 not over \$12,000	\$312.00 plus 6.40% of excess over \$8,000
13 Over \$12,000 but 14 not over \$16,000	\$568.00 plus 6.80% of excess over \$12,000
15 Over \$16,000 but 16 not over \$20,000	\$840.00 plus 7.20% of excess over \$16,000
17 Over \$20,000 but 18 not over \$30,000	\$1,128.00 plus 7.60% of excess over \$20,000
19 Over \$30,000 but 20 not over \$40,000	\$1,888.00 plus 7.90% of 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 any taxable year beginning after December 31,
2 2006:

3	If the taxable income is:	The tax shall be:
4	Not over \$2,400	1.40% of taxable income
5	Over \$2,400 but	\$34.00 plus 3.20% of
6	not over \$4,800	excess over \$2,400
7	Over \$4,800 but	\$110.00 plus 5.50% of
8	not over \$9,600	excess over \$4,800
9	Over \$9,600 but	\$374.00 plus 6.40% of
10	not over \$14,400	excess over \$9,600
11	Over \$14,400 but	\$682.00 plus 6.80% of
12	not over \$19,200	excess over \$14,400
13	Over \$19,200 but	\$1,008.00 plus 7.20% of
14	not over \$24,000	excess over \$19,200
15	Over \$24,000 but	\$1,354.00 plus 7.60% of
16	not over \$36,000	excess over \$24,000
17	Over \$36,000 but	\$2,266.00 plus 7.90% of
18	not over \$48,000	excess over \$36,000
19	Over \$48,000	\$3,214.00 plus 8.25% of
20		excess over \$48,000.

21 In the case of any taxable year beginning after December 31,
22 2008:



1	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
2	<u>Not over \$2,400</u>	<u>1.40% of taxable income</u>
3	<u>Over \$2,400 but</u>	<u>\$34.00 plus 3.20% of</u>
4	<u>not over \$4,800</u>	<u>excess over \$2,400</u>
5	<u>Over \$4,800 but</u>	<u>\$110.00 plus 5.50% of</u>
6	<u>not over \$9,600</u>	<u>excess over \$4,800</u>
7	<u>Over \$9,600 but</u>	<u>\$374.00 plus 6.40% of</u>
8	<u>not over \$14,400</u>	<u>excess over \$9,600</u>
9	<u>Over \$14,400 but</u>	<u>\$682.00 plus 6.80% of</u>
10	<u>not over \$19,200</u>	<u>excess over \$14,400</u>
11	<u>Over \$19,200 but</u>	<u>\$1,008.00 plus 7.20% of</u>
12	<u>not over \$24,000</u>	<u>excess over \$19,200</u>
13	<u>Over \$24,000 but</u>	<u>\$1,354.00 plus 7.60% of</u>
14	<u>not over \$36,000</u>	<u>excess over \$24,000</u>
15	<u>Over \$36,000 but</u>	<u>\$2,266.00 plus 7.90% of</u>
16	<u>not over \$48,000</u>	<u>excess over \$36,000</u>
17	<u>Over \$48,000 but</u>	<u>\$3,214.00 plus 8.25% of</u>
18	<u>not over \$150,000</u>	<u>excess over \$48,000</u>
19	<u>Over \$150,000 but</u>	<u>\$11,629.00 plus 9.00% of</u>
20	<u>not over \$175,000</u>	<u>excess over \$150,000</u>
21	<u>Over \$175,000 but</u>	<u>\$13,879.00 plus 10.00% of</u>
22	<u>not over \$200,000</u>	<u>excess over \$175,000</u>



1 SECTION 4. Notwithstanding any other law to the contrary,
2 no penalty or interest under Title 14, Hawaii Revised Statutes,
3 shall be imposed because of any underpayment of tax by a taxpayer
4 or an employer attributable to the increase in the tax rates
5 under this measure until the later of:

- 6 (1) Ninety days after this Act becomes law; or
- 7 (2) Immediately, after this Act becomes law, when the
8 taxpayer's estimated tax payment is due.

9 SECTION 5. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 6. This Act shall take effect upon approval,
12 provided that:

- 13 (1) Section 2 shall apply to taxable years beginning after
14 December 31, 2008;
- 15 (2) Sections 1 and 3 shall apply to taxable years beginning
16 after December 31, 2010; and
- 17 (3) On December 31, 2015, this Act shall be repealed and
18 sections 235-2.4(a), 235-51(a), (b), and (c), and 235-
19 54(a), Hawaii Revised Statutes, shall be reenacted in
20 the form in which they read on the day before the
21 effective date of this Act.



H.B. NO. 1747
H.D. 1
S.D. 1
C.D. 1

Report Title:

Income Tax Rates

Description:

Increases the income tax for high income brackets. Repeals the increases on 12/31/15. Increases the standard deduction and allowable personal exemption amounts. (HB1747 CD1)

HB1747 CD1 HMS 2009-3807

