
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Chapter 235, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§235- Income tax surcharge; Federal Insurance
5 Compensation Act. (a) Notwithstanding any other law to the
6 contrary, an income tax surcharge of 6.2 per cent is imposed on
7 that portion of the gross income of every individual taxpayer,
8 as reported under the Federal Insurance Compensation Act, that
9 is in excess of the Federal Insurance Compensation Act's maximum
10 withholding amount.

11 (b) All provisions of this chapter shall apply to the
12 income tax surcharge. The director of taxation shall have all
13 the rights and powers provided under this chapter to administer
14 the surcharge.

15 (c) The penalties provided by section 231-39 for failure
16 to file a tax return shall be imposed on the amount of surcharge
17 due on the return being filed for the failure to file the
18 schedule required to accompany the return. In addition, there



1 shall be added to the tax an amount equal to ten per cent of the
2 amount of the surcharge and tax due on the return being filed
3 for the failure to file the schedule.

4 (d) All taxpayers who file on a fiscal year basis whose
5 fiscal year ends after December 31 of the year prior to the
6 taxable year in which the taxes become effective, shall file a
7 short period annual return for the period preceding January 1 of
8 the taxable year in which the taxes become effective. Each
9 fiscal year taxpayer shall also file a short period annual
10 return for the period starting on January 1 of the taxable year
11 in which the taxes become effective, and ending before January 1
12 of the following year.

13 (e) The department of taxation may adopt rules pursuant to
14 chapter 91 to effectuate this Act."

15 SECTION 2. New statutory material is underscored.

16 SECTION 3. This Act shall take effect on January 1, 2011;
17 provided that this Act shall:

18 (1) Be repealed on December 31, 2012; and

19 (2) Apply to taxable years beginning after December 31,
20 2010 and ending before January 1, 2013.

21

INTRODUCED BY:

Kal Nosh



Report Title:

Income Tax; Surcharge; Federal Insurance Compensation Act

Description:

Imposes a 6.2% income tax surcharge on an individual's gross income, for purposes of FICA, in excess of FICA's maximum withholding amount.

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