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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 235-2.4, Hawaii Revised Statutes, is  
2 amended by amending subsection (h) to read as follows:

3           "(h) Section 164 (with respect to taxes) of the Internal  
4 Revenue Code shall be operative for the purposes of this  
5 chapter, except that sections 164(a)(6) and 164(b)(6) shall not  
6 be operative for the purposes of this [~~chapter.~~] chapter;  
7 provided that amounts allowed as a deduction under sections  
8 164(a)(3) and 164(b)(5) shall be reduced as follows:

9           (1) For a taxpayer filing a single return or a married  
10           person filing separately, the deduction shall be  
11           reduced in accordance with the following table:

<u>If federal adjusted</u>	<u>The reduction shall be:</u>
<u>gross income is:</u>	
<u>Less than \$75,000</u>	<u>50 per cent for taxable years</u> <u>beginning after December 31, 2010;</u>
	<u>75 per cent for taxable years</u> <u>beginning after December 31, 2011;</u>
	<u>100 per cent for taxable years</u>



1 beginning after December 31, 2012.

2 \$75,000 and over 100 per cent for taxable years

3 beginning after December 31, 2010.

4 (2) For a taxpayer filing as a head of household or  
5 surviving spouse, the deduction shall be reduced in  
6 accordance with the following table:

7 If federal adjusted The reduction shall be:

8 gross income is:

9 Less than \$112,500 50 per cent for taxable years

10 beginning after December 31, 2010;

11 75 per cent for taxable years

12 beginning after December 31, 2011;

13 100 per cent for taxable years

14 beginning after December 31, 2012.

15 \$112,500 and over 100 per cent for taxable years

16 beginning after December 31, 2010.

17 (3) For a taxpayer filing a joint return, the deduction  
18 shall be reduced in accordance with the following  
19 table:

20 If federal adjusted The reduction shall be:

21 gross income is:

22 Less than \$150,000 50 per cent for taxable years





**Report Title:**

Taxation; General Excise Tax Deduction

**Description:**

Reduces or eliminates the state income tax deduction for general excise taxes paid by a taxpayer in taxable years beginning after 12/31/10 and through 12/31/12 depending upon the taxpayer's federal adjusted gross income and filing status. (SD1)

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