
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:

12 <u>If federal adjusted</u>	<u>The reduction shall be:</u>
13 <u>gross income is:</u>	
14 <u>Less than \$75,000</u>	<u>50 per cent for taxable years</u> 15 <u>beginning after December 31, 2010;</u>
	16 <u>75 per cent for taxable years</u> 17 <u>beginning after December 31, 2011;</u>
	18 <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



1 beginning after December 31, 2010;
2 75 per cent for taxable years
3 beginning after December 31, 2011;
4 100 per cent for taxable years
5 beginning after December 31, 2012.
6 \$150,000 and over 100 per cent for taxable years
7 beginning after December 31, 2010."

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 Statutory material to be repealed is bracketed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

10 SECTION 3. This Act shall take effect on approval;
11 provided that this Act shall apply to taxable years beginning
12 after December 31, 2010.

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Report Title:

Taxation; General Excise Tax Deduction; Motor Vehicle Tax

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. (Proposed SD1)

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