
A BILL FOR AN ACT

RELATING TO ITEMIZED INCOME TAX DEDUCTIONS.

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

1 SECTION 1. Act 97, Session Laws of Hawaii 2011, is amended
2 by amending section 3 to read as follows:

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

6 "§235- Itemized deductions; limitations.

7 Notwithstanding any other law to the contrary, itemized tax
8 deductions claimed pursuant to this chapter shall not exceed the
9 lesser of:

10 (1) The limitation on itemized deductions under section 68
11 of the Internal Revenue Code; or

12 (2) Any of the following that may be applicable:

13 (A) \$25,000 for itemized deductions excluding
14 charitable contributions in addition to the
15 amount of charitable contributions otherwise
16 deductible under this chapter for a taxpayer
17 filing a single return or a married person filing

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1 separately with a federal adjusted gross income
2 of \$100,000 or more;

3 (B) \$37,500 for itemized deductions excluding
4 charitable contributions in addition to the
5 amount of charitable contributions otherwise
6 deductible under this chapter for a taxpayer
7 filing as a head of household with a federal
8 adjusted gross income of \$150,000 or more; and

9 (C) \$50,000 for itemized deductions excluding
10 charitable contributions in addition to the
11 amount of charitable contributions otherwise
12 deductible under this chapter for a taxpayer
13 filing a joint return or as a surviving spouse
14 with a federal adjusted gross income of \$200,000
15 or more."

16 SECTION 2. New statutory material is underscored.

17 SECTION 3. This Act, upon its approval, shall apply to
18 taxable years beginning after December 31, 2012.

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INTRODUCED BY 
BY REQUEST

JAN 22 2013

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Report Title:

Itemized Income Tax Deductions

Description:

Exempts charitable income tax deductions from the itemized deduction caps.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Taxation

TITLE: A BILL FOR AN ACT RELATING TO ITEMIZED INCOME TAX DEDUCTIONS.

PURPOSE: To exclude charitable contributions from the hard caps placed on itemized tax deduction by Act 97, Session Laws of Hawaii 2011.

MEANS: Amend section 3 of Act 97, Session Laws of Hawaii 2011.

JUSTIFICATION: Act 97, Sessions Laws of Hawaii 2011, placed hard caps on itemized income tax deductions for taxpayers who reached certain adjusted gross income thresholds. These hard caps limit all itemized deductions including charitable contributions.

Impact on the public: Taxpayers who reach the adjusted gross income thresholds will be able to deduct allowable charitable contributions amounts in addition the applicable hard cap amounts.

Impact on the department and other agencies: The department will be required to revise all of the forms and form instructions relating to net individual income tax.

GENERAL FUND: Pending.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval, shall apply to taxable years beginning after December 31, 2012.