
A BILL FOR AN ACT

RELATING TO INCOME TAXATION OF SENIORS.

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 exemption for seniors. (a) Any law
5 to the contrary notwithstanding, every taxpayer 65 years of age
6 or older at any time during the taxable year whose federal and
7 Hawaii adjusted gross income does not exceed the applicable
8 level set forth in subsection (b) shall be exempt from the tax
9 imposed by this chapter.

10 (b) Applicable levels for purposes of this section are:

11 (1) \$45,000 in the case of a taxpayer filing a joint
12 return as provided by section 235-93;

13 (2) \$35,000 in the case of a taxpayer filing as a
14 head of household (as defined in Section 2(b) of
15 the Internal Revenue Code); and

16 (3) \$25,000 in the case of a taxpayer who is not
17 married and not a head of household, or in the
18 case of a taxpayer who is married filing
19 separately.

1 (c) In the case of a jointly filing taxpayer in which only
2 one of the joint filers is 65 years of age or older at any time
3 during the taxable year, to qualify for an exemption under this
4 section the federal and Hawaii adjusted gross income of the
5 joint filing shall not exceed the applicable level for taxpayers
6 filing jointly and the joint filer who is 65 years of age or
7 older at any time during the tax year must demonstrate he or she
8 would qualify for the exemption under subsection (a) if he or
9 she filed as married filing separately. The maximum amount of
10 income that may be exempted under this subsection shall be
11 \$25,000.

12 (d) Nothing in this section shall be construed to exempt a
13 qualifying taxpayer or his or her employer from the tax
14 withholding requirements of this chapter.

15 (e) Any taxpayer otherwise required to file a return under
16 this chapter must file a return to qualify for the exemption
17 under this section."

18 SECTION 2. New statutory material is underscored.

H.B. NO. 2283

1 SECTION 3. This Act shall take effect upon its approval
2 and shall apply to taxable years beginning after December 31,
3 2014.

4
5 INTRODUCED BY: _____

A handwritten signature in black ink, appearing to read "Justin", is written over a horizontal line.

6 BY REQUEST

JAN 21 2014

H.B. NO. 2283

Report Title:

Taxation; Income Tax Exemption for Seniors

Description:

Provides an income tax exemption to taxpayers over 65 years of age who have federal adjusted gross income below certain thresholds.

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: Office of the Governor

TITLE: A BILL FOR AN ACT RELATING TO INCOME
TAXATION OF SENIORS.

PURPOSE: To provide Hawaii's income qualified elderly
(each taxpayer who is sixty-five years of
age or older) with an income tax exemption.

MEANS: Add a new section to chapter 235, Hawaii
Revised Statutes (HRS).

JUSTIFICATION: Many of Hawaii's kupuna are struggling to
keep up and make ends meet. Providing an
income tax exemption to income qualified
seniors will provide tax relief to those who
need it the most.

Impact on the public: The Department of
Taxation estimates that about 24,500 elderly
will benefit from this proposal.

Impact on the department and other agencies:
Change in tax forms and instructions.

GENERAL FUND: Estimated revenue loss of \$5.5 million per
year.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: None.

OTHER AFFECTED
AGENCIES: Department of Taxation.

EFFECTIVE DATE: Upon approval.