
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 (a) to read as follows:

3 "(a) Section 63 (with respect to taxable income defined)
4 of the Internal Revenue Code shall be operative for the purposes
5 of this chapter, subject to the following:

6 (1) Section 63(c)(1)(B) (relating to the additional
7 standard deduction), 63(c)(1)(C) (relating to the real
8 property tax deduction), 63(c)(1)(D) (relating to the
9 disaster loss deduction), 63(c)(1)(E) (relating to the
10 motor vehicle sales tax deduction), 63(c)(4) (relating
11 to inflation adjustments), 63(c)(7) (defining the real
12 property tax deduction), 63(c)(8) (defining the
13 disaster loss deduction), 63(c)(9) (defining the motor
14 vehicle sales tax deduction), and 63(f) (relating to
15 additional amounts for the aged or blind) of the
16 Internal Revenue Code shall not be operative for
17 purposes of this chapter;



- 1 (2) Section 63(c)(2) (relating to the basic standard
2 deduction) of the Internal Revenue Code shall be
3 operative, except that the standard deduction amounts
4 provided therein shall instead mean:
- 5 (A) [~~\$4,400~~] \$5,500, in the case of:
- 6 (i) A joint return as provided by section 235-
7 93; or
- 8 (ii) A surviving spouse (as defined in section
9 2(a) of the Internal Revenue Code);
- 10 (B) [~~\$3,212~~] \$4,015, in the case of a head of
11 household (as defined in section 2(b) of the
12 Internal Revenue Code);
- 13 (C) [~~\$2,200~~] \$2,750, in the case of an individual who
14 is not married and who is not a surviving spouse
15 or head of household; or
- 16 (D) [~~\$2,200~~] \$2,750, in the case of a married
17 individual filing a separate return;
- 18 (3) Section 63(c)(5) (limiting the basic standard
19 deduction in the case of certain dependents) of the
20 Internal Revenue Code shall be operative, except that



1 the limitation shall be the greater of \$500 or the
2 individual's earned income; and

3 (4) The standard deduction amount for nonresidents shall
4 be calculated pursuant to section 235-5."

5 SECTION 2. Section 235-54, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) In computing the taxable income of any individual,
8 there shall be deducted, in lieu of the personal exemptions
9 allowed by the Internal Revenue Code of 1986, as amended, and
10 except as provided in subsection (c), personal exemptions
11 computed as follows: Ascertain the number of exemptions which
12 the individual can lawfully claim under the Internal Revenue
13 Code, add an additional exemption for the taxpayer or the
14 taxpayer's spouse who is sixty-five years of age or older within
15 the taxable year, and multiply that number by [~~\$1,144,~~ \$2,288,
16 for taxable years beginning after December 31, 1984. A
17 nonresident shall prorate the personal exemptions on account of
18 income from sources outside the State as provided in section
19 235-5. In the case of an individual with respect to whom an
20 exemption under this section is allowable to another taxpayer
21 for a taxable year beginning in the calendar year in which the



1 individual's taxable year begins, the personal exemption amount
2 applicable to such individual under this subsection for such
3 individual's taxable year shall be zero."

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect on July 1, 2030, and
7 shall apply to taxable years beginning after December 31, 2014;
8 provided that the amendments made to section 235-54(a), Hawaii
9 Revised Statutes, by section 2 of this Act shall not be repealed
10 when section 235-54, Hawaii Revised Statutes, is reenacted on
11 June 30, 2015, pursuant to section 3 of Act 14, Special Session
12 Laws of Hawaii 2009.



Report Title:

Income Tax; Basic Standard Deduction; Personal Exemption

Description:

Amends the state income tax law by changing the amounts of the basic standard deduction and personal exemption. (HB1181 HD1)

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