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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. The legislature finds that the State has the  
2 highest cost of living and housing in the nation, causing many  
3 people in the State to struggle to make ends meet even though  
4 they are employed. Hawaii is one of only fifteen states that  
5 impose a tax on the income of those at or below the poverty  
6 level, while most states either provide a refund or require no  
7 payment. The National Center for Children in Poverty shows  
8 that, compared to other states, Hawaii places the second highest  
9 tax burden on families at or below the poverty level.

10           Eliminating the state income tax liability in the lowest  
11 tax brackets would help workers living at or below the poverty  
12 line. The purpose of this Act is to provide targeted tax relief  
13 to those with the lowest incomes in the State.

14           SECTION 2. Section 235-51, Hawaii Revised Statutes, is  
15 amended by amending subsections (a), (b), and (c) to read as  
16 follows:



1           "(a) There is hereby imposed on the taxable income of  
2 every:

3           (1) Taxpayer who files a joint return under section 235-  
4                 93; and

5           (2) Surviving spouse,

6 a tax determined in accordance with the following table:

7

8           In the case of any taxable year beginning after December  
9 31, 2001:

10	If the taxable income is:	The tax shall be:
11	Not over \$4,000	1.40% of taxable income
12	Over \$4,000 but	\$56.00 plus 3.20% of
13	not over \$8,000	excess over \$4,000
14	Over \$8,000 but	\$184.00 plus 5.50% of
15	not over \$16,000	excess over \$8,000
16	Over \$16,000 but	\$624.00 plus 6.40% of
17	not over \$24,000	excess over \$16,000
18	Over \$24,000 but	\$1,136.00 plus 6.80% of
19	not over \$32,000	excess over \$24,000
20	Over \$32,000 but	\$1,680.00 plus 7.20% of
21	not over \$40,000	excess over \$32,000



# H.B. NO. 1190

1	Over \$40,000 but	\$2,256.00 plus 7.60% of
2	not over \$60,000	excess over \$40,000
3	Over \$60,000 but	\$3,776.00 plus 7.90% of
4	not over \$80,000	excess over \$60,000
5	Over \$80,000	\$5,356.00 plus 8.25% of
6		excess over \$80,000.

7  
8 In the case of any taxable year beginning after December  
9 31, 2006:

10	If the taxable income is:	The tax shall be:
11	Not over \$4,800	1.40% of taxable income
12	Over \$4,800 but	\$67.00 plus 3.20% of
13	not over \$9,600	excess over \$4,800
14	Over \$9,600 but	\$221.00 plus 5.50% of
15	not over \$19,200	excess over \$9,600
16	Over \$19,200 but	\$749.00 plus 6.40% of
17	not over \$28,800	excess over \$19,200
18	Over \$28,800 but	\$1,363.00 plus 6.80% of
19	not over \$38,400	excess over \$28,800
20	Over \$38,400 but	\$2,016.00 plus 7.20% of
21	not over \$48,000	excess over \$38,400



# H.B. NO. 1190

1	Over \$48,000 but	\$2,707.00 plus 7.60% of
2	not over \$72,000	excess over \$48,000
3	Over \$72,000 but	\$4,531.00 plus 7.90% of
4	not over \$96,000	excess over \$72,000
5	Over \$96,000	\$6,427.00 plus 8.25% of
6		excess over \$96,000.

7

8 In the case of any taxable year beginning after December

9 31, 2017:

10	If the taxable income is:	The tax shall be:
11	Not over \$4,800	1.40% of taxable income
12	Over \$4,800 but	\$67.00 plus 3.20% of
13	not over \$9,600	excess over \$4,800
14	Over \$9,600 but	\$221.00 plus 5.50% of
15	not over \$19,200	excess over \$9,600
16	Over \$19,200 but	\$749.00 plus 6.40% of
17	not over \$28,800	excess over \$19,200
18	Over \$28,800 but	\$1,363.00 plus 6.80% of
19	not over \$38,400	excess over \$28,800
20	Over \$38,400 but	\$2,016.00 plus 7.20% of
21	not over \$48,000	excess over \$38,400



# H.B. NO. 1190

1	Over \$48,000 but	\$2,707.00 plus 7.60% of
2	not over \$72,000	excess over \$48,000
3	Over \$72,000 but	\$4,531.00 plus 7.90% of
4	not over \$96,000	excess over \$72,000
5	Over \$96,000 but	\$6,427.00 plus 8.25% of
6	not over \$300,000	excess over \$96,000
7	Over \$300,000 but	\$23,257.00 plus 9.00% of
8	not over \$350,000	excess over \$300,000
9	Over \$350,000 but	\$27,757.00 plus 10.00% of
10	not over \$400,000	excess over \$350,000
11	Over \$400,000	\$32,757.00 plus 11.00% of
12		excess over \$400,000.

13 In the case of any taxable year beginning after December  
 14 31, 2018:

15	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
16	<u>Over \$6,600 but</u>	<u>3.20% of</u>
17	<u>not over \$9,600</u>	<u>excess over \$6,600</u>
18	<u>Over \$9,600 but</u>	<u>\$96.00 plus 6.60% of</u>
19	<u>not over \$28,800</u>	<u>excess over \$9,600</u>
20	<u>Over \$28,800 but</u>	<u>\$1,363.00 plus 6.80% of</u>
21	<u>not over \$38,400</u>	<u>excess over \$28,800</u>



# H.B. NO. 1190

1	<u>Over \$38,400 but</u>	<u>\$2,016.00 plus 7.20% of</u>
2	<u>not over \$48,000</u>	<u>excess over \$38,400</u>
3	<u>Over \$48,000 but</u>	<u>\$2,707.00 plus 7.60% of</u>
4	<u>not over \$72,000</u>	<u>excess over \$48,000</u>
5	<u>Over \$72,000 but</u>	<u>\$4,531.00 plus 7.90% of</u>
6	<u>not over \$96,000</u>	<u>excess over \$72,000</u>
7	<u>Over \$96,000 but</u>	<u>\$6,427.00 plus 8.25% of</u>
8	<u>not over \$300,000</u>	<u>excess over \$96,000</u>
9	<u>Over \$300,000 but</u>	<u>\$23,257.00 plus 9.00% of</u>
10	<u>not over \$350,000</u>	<u>excess over \$300,000</u>
11	<u>Over \$350,000 but</u>	<u>\$27,757.00 plus 10.00% of</u>
12	<u>not over \$400,000</u>	<u>excess over \$350,000</u>
13	<u>Over \$400,000</u>	<u>\$32,757.00 plus 11.00% of</u>
14		<u>excess over \$400,000.</u>

15

16 (b) There is hereby imposed on the taxable income of every

17 head of a household a tax determined in accordance with the

18 following table:

19

20 In the case of any taxable year beginning after December

21 31, 2001:



# H.B. NO. 1190

1	If the taxable income is:	The tax shall be:
2	Not over \$3,000	1.40% of taxable income
3	Over \$3,000 but	\$42.00 plus 3.20% of
4	not over \$6,000	excess over \$3,000
5	Over \$6,000 but	\$138.00 plus 5.50% of
6	not over \$12,000	excess over \$6,000
7	Over \$12,000 but	\$468.00 plus 6.40% of
8	not over \$18,000	excess over \$12,000
9	Over \$18,000 but	\$852.00 plus 6.80% of
10	not over \$24,000	excess over \$18,000
11	Over \$24,000 but	\$1,260.00 plus 7.20% of
12	not over \$30,000	excess over \$24,000
13	Over \$30,000 but	\$1,692.00 plus 7.60% of
14	not over \$45,000	excess over \$30,000
15	Over \$45,000 but	\$2,832.00 plus 7.90% of
16	not over \$60,000	excess over \$45,000
17	Over \$60,000	\$4,017.00 plus 8.25% of
18		excess over \$60,000.

19  
20 In the case of any taxable year beginning after December  
21 31, 2006:



# H.B. NO. 1190

1	If the taxable income is:	The tax shall be:
2	Not over \$3,600	1.40% of taxable income
3	Over \$3,600 but	\$50.00 plus 3.20% of
4	not over \$7,200	excess over \$3,600
5	Over \$7,200 but	\$166.00 plus 5.50% of
6	not over \$14,400	excess over \$7,200
7	Over \$14,400 but	\$562.00 plus 6.40% of
8	not over \$21,600	excess over \$14,400
9	Over \$21,600 but	\$1,022.00 plus 6.80% of
10	not over \$28,800	excess over \$21,600
11	Over \$28,800 but	\$1,512.00 plus 7.20% of
12	not over \$36,000	excess over \$28,800
13	Over \$36,000 but	\$2,030.00 plus 7.60% of
14	not over \$54,000	excess over \$36,000
15	Over \$54,000 but	\$3,398.00 plus 7.90% of
16	not over \$72,000	excess over \$54,000
17	Over \$72,000	\$4,820.00 plus 8.25% of
18		excess over \$72,000.

19  
20 In the case of any taxable year beginning after December  
21 31, 2017:





	If the taxable income is:	The tax shall be:
1		
2	Not over \$3,600	1.40% of taxable income
3	Over \$3,600 but	\$50.00 plus 3.20% of
4	not over \$7,200	excess over \$3,600
5	Over \$7,200 but	\$166.00 plus 5.50% of
6	not over \$14,400	excess over \$7,200
7	Over \$14,400 but	\$562.00 plus 6.40% of
8	not over \$21,600	excess over \$14,400
9	Over \$21,600 but	\$1,022.00 plus 6.80% of
10	not over \$28,800	excess over \$21,600
11	Over \$28,800 but	\$1,512.00 plus 7.20% of
12	not over \$36,000	excess over \$28,800
13	Over \$36,000 but	\$2,030.00 plus 7.60% of
14	not over \$54,000	excess over \$36,000
15	Over \$54,000 but	\$3,398.00 plus 7.90% of
16	not over \$72,000	excess over \$54,000
17	Over \$72,000 but	\$4,820.00 plus 8.25% of
18	not over \$225,000	excess over \$72,000
19	Over \$225,000 but	\$17,443.00 plus 9.00% of
20	not over \$262,500	excess over \$225,000
21	Over \$262,500 but	\$20,818.00 plus 10.00% of



# H.B. NO. 1190

1                   not over \$300,000                   excess over \$262,500  
 2                   Over \$300,000                   \$24,568.00 plus 11.00% of  
 3   excess over \$300,000.

4                   In the case of any taxable year beginning after December  
 5                   31, 2018:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
6 <u>Over \$4,800 but</u>	3.20% of
8 <u>not over \$7,200</u>	<u>excess over \$4,800</u>
9 <u>Over \$7,200 but</u>	<u>\$77.00 plus 6.60% of</u>
10 <u>not over \$21,600</u>	<u>excess over \$7,200</u>
11 <u>Over \$21,600 but</u>	<u>\$1,027.00 plus 6.80% of</u>
12 <u>not over \$28,800</u>	<u>excess over \$21,600</u>
13 <u>Over \$28,800 but</u>	<u>\$1,517.00 plus 7.20% of</u>
14 <u>not over \$36,000</u>	<u>excess over \$28,800</u>
15 <u>Over \$36,000 but</u>	<u>\$2,035.00 plus 7.60% of</u>
16 <u>not over \$54,000</u>	<u>excess over \$36,000</u>
17 <u>Over \$54,000 but</u>	<u>\$3,403.00 plus 7.90% of</u>
18 <u>not over \$72,000</u>	<u>excess over \$54,000</u>
19 <u>Over \$72,000 but</u>	<u>\$4,825.00 plus 8.25% of</u>
20 <u>not over \$225,000</u>	<u>excess over \$72,000</u>
21 <u>Over \$225,000 but</u>	<u>\$17,448.00 plus 9.00% of</u>



1	<u>not over \$262,500</u>	<u>excess over \$225,000</u>
2	<u>Over \$262,500 but</u>	<u>\$20,823.00 plus 10.00% of</u>
3	<u>not over \$300,000</u>	<u>excess over \$262,500</u>
4	<u>Over \$300,000</u>	<u>\$24,573.00 plus 11.00% of</u>
5		<u>excess over \$300,000.</u>

6

7 (c) There is hereby imposed on the taxable income of (1)

8 every unmarried individual (other than a surviving spouse, or

9 the head of a household) and (2) on the taxable income of every

10 married individual who does not make a single return jointly

11 with the individual's spouse under section 235-93 a tax

12 determined in accordance with the following table:

13

14 In the case of any taxable year beginning after December

15 31, 2001:

16	If the taxable income is:	The tax shall be:
17	Not over \$2,000	1.40% of taxable income
18	Over \$2,000 but	\$28.00 plus 3.20% of
19	not over \$4,000	excess over \$2,000
20	Over \$4,000 but	\$92.00 plus 5.50% of
21	not over \$8,000	excess over \$4,000



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1	Over \$8,000 but	\$312.00 plus 6.40% of
2	not over \$12,000	excess over \$8,000
3	Over \$12,000 but	\$568.00 plus 6.80% of
4	not over \$16,000	excess over \$12,000
5	Over \$16,000 but	\$840.00 plus 7.20% of
6	not over \$20,000	excess over \$16,000
7	Over \$20,000 but	\$1,128.00 plus 7.60% of
8	not over \$30,000	excess over \$20,000
9	Over \$30,000 but	\$1,888.00 plus 7.90% of
10	not over \$40,000	excess over \$30,000
11	Over \$40,000	\$2,678.00 plus 8.25% of
12		excess over \$40,000.

13

14 In the case of any taxable year beginning after December  
 15 31, 2006:

16	If the taxable income is:	The tax shall be:
17	Not over \$2,400	1.40% of taxable income
18	Over \$2,400 but	\$34.00 plus 3.20% of
19	not over \$4,800	excess over \$2,400
20	Over \$4,800 but	\$110.00 plus 5.50% of
21	not over \$9,600	excess over \$4,800



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1	Over \$9,600 but	\$374.00 plus 6.40% of
2	not over \$14,400	excess over \$9,600
3	Over \$14,400 but	\$682.00 plus 6.80% of
4	not over \$19,200	excess over \$14,400
5	Over \$19,200 but	\$1,008.00 plus 7.20% of
6	not over \$24,000	excess over \$19,200
7	Over \$24,000 but	\$1,354.00 plus 7.60% of
8	not over \$36,000	excess over \$24,000
9	Over \$36,000 but	\$2,266.00 plus 7.90% of
10	not over \$48,000	excess over \$36,000
11	Over \$48,000	\$3,214.00 plus 8.25% of
12		excess over \$48,000.

13

14 In the case of any taxable year beginning after December  
 15 31, 2017:

16	If the taxable income is:	The tax shall be:
17	Not over \$2,400	1.40% of taxable income
18	Over \$2,400 but	\$34.00 plus 3.20% of
19	not over \$4,800	excess over \$2,400
20	Over \$4,800 but	\$110.00 plus 5.50% of
21	not over \$9,600	excess over \$4,800



# H.B. NO. 1190

1	Over \$9,600 but	\$374.00 plus 6.40% of
2	not over \$14,400	excess over \$9,600
3	Over \$14,400 but	\$682.00 plus 6.80% of
4	not over \$19,200	excess over \$14,400
5	Over \$19,200 but	\$1,008.00 plus 7.20% of
6	not over \$24,000	excess over \$19,200
7	Over \$24,000 but	\$1,354.00 plus 7.60% of
8	not over \$36,000	excess over \$24,000
9	Over \$36,000 but	\$2,266.00 plus 7.90% of
10	not over \$48,000	excess over \$36,000
11	Over \$48,000 but	\$3,214.00 plus 8.25% of
12	not over \$150,000	excess over \$48,000
13	Over \$150,000 but	\$11,629.00 plus 9.00% of
14	not over \$175,000	excess over \$150,000
15	Over \$175,000 but	\$13,879.00 plus 10.00% of
16	not over \$200,000	excess over \$175,000
17	Over \$200,000	\$16,379.00 plus 11.00% of
18		excess over \$200,000.

19 In the case of any taxable year beginning after December  
 20 31, 2018:

21 If the taxable income is:                      The tax shall be:



1	<u>Over \$3,300 but</u>	<u>3.20% of</u>
2	<u>not over \$4,800</u>	<u>excess over \$3,300</u>
3	<u>Over \$4,800 but</u>	<u>\$48.00 plus 6.60% of</u>
4	<u>not over \$14,400</u>	<u>excess over \$4,800</u>
5	<u>Over \$14,400 but</u>	<u>\$682.00 plus 6.80% of</u>
6	<u>not over \$19,200</u>	<u>excess over \$14,400</u>
7	<u>Over \$19,200 but</u>	<u>\$1,008.00 plus 7.20% of</u>
8	<u>not over \$24,000</u>	<u>excess over \$19,200</u>
9	<u>Over \$24,000 but</u>	<u>\$1,354.00 plus 7.60% of</u>
10	<u>not over \$36,000</u>	<u>excess over \$24,000</u>
11	<u>Over \$36,000 but</u>	<u>\$2,266.00 plus 7.90% of</u>
12	<u>not over \$48,000</u>	<u>excess over \$36,000</u>
13	<u>Over \$48,000 but</u>	<u>\$3,214.00 plus 8.25% of</u>
14	<u>not over \$150,000</u>	<u>excess over \$48,000</u>
15	<u>Over \$150,000 but</u>	<u>\$11,629.00 plus 9.00% of</u>
16	<u>not over \$175,000</u>	<u>excess over \$150,000</u>
17	<u>Over \$175,000 but</u>	<u>\$13,879.00 plus 10.00% of</u>
18	<u>not over \$200,000</u>	<u>excess over \$175,000</u>
19	<u>Over \$200,000</u>	<u>\$16,379.00 plus 11.00% of</u>
20		<u>excess over \$200,000."</u>

21 SECTION 3. New statutory material is underscored.



1 SECTION 4. This Act, upon its approval, shall apply to  
2 taxable years beginning after December 31, 2018.  
3

INTRODUCED BY:

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JAN 23 2019





# H.B. NO. 1190

**Report Title:**

Income Tax Rates

**Description:**

Changes income tax rates and eliminates state income tax for those at or below the poverty level for taxable years beginning after December 31, 2018.

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

