

JAN 23 2020

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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 Hawaii has the  
2 highest cost of living in the nation. According to the United  
3 States Census Bureau, Hawaii's domestic migration problem is  
4 worsening, with 13,537 more persons moving away from Hawaii than  
5 moving into the State during the 2016-2017 fiscal year. Such  
6 out-migration has more than doubled since 2014-2015, when Hawaii  
7 saw a population loss of six thousand seven hundred persons.

8           Hawaii's high cost of living creates economic precarity for  
9 working families. A survey conducted in 2018 highlighted that  
10 nearly one third of families in the State do not meet self-  
11 sufficiency income levels. Moreover, the National Low Income  
12 Housing Coalition's Out of Reach report for 2019 found that a  
13 minimum-wage worker in the Honolulu metropolitan statistical  
14 area would need to work one hundred eleven hours per week to  
15 afford a one-bedroom rental home at fair market rent and one  
16 hundred forty-six hours per week to afford a two-bedroom rental  
17 home at fair market rent.



1           The legislature further finds that Hawaii has one of the  
2 highest individual income tax rates in the country. Under the  
3 existing income tax rate, a single filer working an average of  
4 forty hours a week at the minimum wage of \$10.10 an hour for  
5 approximately fifty weeks, which equates to 20,200 per year, is  
6 required to pay \$1,008 plus 7.2 per cent of any excess over  
7 \$19,200. According to the U.S. Department of Housing and Urban  
8 Development, a single person living on Oahu is considered low  
9 income if they earn \$67,500 or less a year and a person earning  
10 \$42,200 a year or less is considered very low income. By that  
11 standard, an individual earning minimum wage is now considered  
12 extremely low income.

13           The purpose of this Act is to amend the income tax rate by  
14 changing the income tax brackets beginning after December 31,  
15 2020.

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

18           "(a) There is hereby imposed on the taxable income of  
19 every:

20           (1) Taxpayer who files a joint return under section  
21           235-93; and



1           (2) Surviving spouse,  
2 a tax determined in accordance with the following table:

3           In the case of any taxable year beginning after  
4 December 31, 2001:

5	If the taxable income is:	The tax shall be:
6	Not over \$4,000	1.40% of taxable income
7	Over \$4,000 but	\$56.00 plus 3.20% of
8	not over \$8,000	excess over \$4,000
9	Over \$8,000 but	\$184.00 plus 5.50% of
10	not over \$16,000	excess over \$8,000
11	Over \$16,000 but	\$624.00 plus 6.40% of
12	not over \$24,000	excess over \$16,000
13	Over \$24,000 but	\$1,136.00 plus 6.80% of
14	not over \$32,000	excess over \$24,000
15	Over \$32,000 but	\$1,680.00 plus 7.20% of
16	not over \$40,000	excess over \$32,000
17	Over \$40,000 but	\$2,256.00 plus 7.60% of
18	not over \$60,000	excess over \$40,000
19	Over \$60,000 but	\$3,776.00 plus 7.90% of
20	not over \$80,000	excess over \$60,000
21	Over \$80,000	\$5,356.00 plus 8.25% of



# S.B. NO. 3124

1 excess over \$80,000.

2 In the case of any taxable year beginning after  
3 December 31, 2006:

4	If the taxable income is:	The tax shall be:
5	Not over \$4,800	1.40% of taxable income
6	Over \$4,800 but	\$67.00 plus 3.20% of
7	not over \$9,600	excess over \$4,800
8	Over \$9,600 but	\$221.00 plus 5.50% of
9	not over \$19,200	excess over \$9,600
10	Over \$19,200 but	\$749.00 plus 6.40% of
11	not over \$28,800	excess over \$19,200
12	Over \$28,800 but	\$1,363.00 plus 6.80% of
13	not over \$38,400	excess over \$28,800
14	Over \$38,400 but	\$2,016.00 plus 7.20% of
15	not over \$48,000	excess over \$38,400
16	Over \$48,000 but	\$2,707.00 plus 7.60% of
17	not over \$72,000	excess over \$48,000
18	Over \$72,000 but	\$4,531.00 plus 7.90% of
19	not over \$96,000	excess over \$72,000
20	Over \$96,000	\$6,427.00 plus 8.25% of
21		excess over \$96,000.



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1           In the case of any taxable year beginning after  
2 December 31, 2017:

3	If the taxable income is:	The tax shall be:
4	Not over \$4,800	1.40% of taxable income
5	Over \$4,800 but	\$67.00 plus 3.20% of
6	not over \$9,600	excess over \$4,800
7	Over \$9,600 but	\$221.00 plus 5.50% of
8	not over \$19,200	excess over \$9,600
9	Over \$19,200 but	\$749.00 plus 6.40% of
10	not over \$28,800	excess over \$19,200
11	Over \$28,800 but	\$1,363.00 plus 6.80% of
12	not over \$38,400	excess over \$28,800
13	Over \$38,400 but	\$2,016.00 plus 7.20% of
14	not over \$48,000	excess over \$38,400
15	Over \$48,000 but	\$2,707.00 plus 7.60% of
16	not over \$72,000	excess over \$48,000
17	Over \$72,000 but	\$4,531.00 plus 7.90% of
18	not over \$96,000	excess over \$72,000
19	Over \$96,000 but	\$6,427.00 plus 8.25% of
20	not over \$300,000	excess over \$96,000
21	Over \$300,000 but	\$23,257.00 plus 9.00% of



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1                   not over \$350,000                   excess over \$300,000  
 2           Over \$350,000 but                   \$27,757.00 plus 10.00% of  
 3                   not over \$400,000                   excess over \$350,000  
 4           Over \$400,000                   \$32,757.00 plus 11.00% of  
 5                   excess over \$400,000.

6           In case of any taxable year beginning after December 31,  
 7    2020:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
8 <u>Not over \$12,000</u>	<u>0% of taxable income</u>
9 <u>Over \$12,000 but</u>	<u>\$0 plus 6.50% of</u>
10 <u>not over \$19,200</u>	<u>excess over \$12,000</u>
11 <u>Over \$19,200 but</u>	<u>\$468.00 plus 7.40% of</u>
12 <u>not over \$28,800</u>	<u>excess over \$19,200</u>
13 <u>Over \$28,800 but</u>	<u>\$1,178.00 plus 7.80% of</u>
14 <u>not over \$38,400</u>	<u>excess over \$28,800</u>
15 <u>Over \$38,400 but</u>	<u>\$1,927.00 plus 8.20% of</u>
16 <u>not over \$48,000</u>	<u>excess over \$38,400</u>
17 <u>Over \$48,000 but</u>	<u>\$2,714.00 plus 8.60% of</u>
18 <u>not over \$72,000</u>	<u>excess over \$48,000</u>
19 <u>Over \$72,000 but</u>	<u>\$4,778.00 plus 8.90% of</u>
20 <u>not over \$96,000</u>	<u>excess over \$72,000</u>



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1	<u>Over \$96,000 but</u>	<u>\$6,914.00 plus 9.25% of</u>
2	<u>not over \$300,000</u>	<u>excess over \$96,000</u>
3	<u>Over \$300,000 but</u>	<u>\$25,784.00 plus 10.00% of</u>
4	<u>not over \$350,000</u>	<u>excess over \$300,000</u>
5	<u>Over \$350,000</u>	<u>\$30,784.00 plus 11.00% of</u>
6		<u>excess over \$350,000.</u>

7 (b) There is hereby imposed on the taxable income of every  
8 head of a household a tax determined in accordance with the  
9 following table:

10 In the case of any taxable year beginning after  
11 December 31, 2001:

12	If the taxable income is:	The tax shall be:
13	Not over \$3,000	1.40% of taxable income
14	Over \$3,000 but	\$42.00 plus 3.20% of
15	not over \$6,000	excess over \$3,000
16	Over \$6,000 but	\$138.00 plus 5.50% of
17	not over \$12,000	excess over \$6,000
18	Over \$12,000 but	\$468.00 plus 6.40% of
19	not over \$18,000	excess over \$12,000
20	Over \$18,000 but	\$852.00 plus 6.80% of
21	not over \$24,000	excess over \$18,000



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1	Over \$24,000 but	\$1,260.00 plus 7.20% of
2	not over \$30,000	excess over \$24,000
3	Over \$30,000 but	\$1,692.00 plus 7.60% of
4	not over \$45,000	excess over \$30,000
5	Over \$45,000 but	\$2,832.00 plus 7.90% of
6	not over \$60,000	excess over \$45,000
7	Over \$60,000	\$4,017.00 plus 8.25% of
8		excess over \$60,000.

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

11	If the taxable income is:	The tax shall be:
12	Not over \$3,600	1.40% of taxable income
13	Over \$3,600 but	\$50.00 plus 3.20% of
14	not over \$7,200	excess over \$3,600
15	Over \$7,200 but	\$166.00 plus 5.50% of
16	not over \$14,400	excess over \$7,200
17	Over \$14,400 but	\$562.00 plus 6.40% of
18	not over \$21,600	excess over \$14,400
19	Over \$21,600 but	\$1,022.00 plus 6.80% of
20	not over \$28,800	excess over \$21,600
21	Over \$28,800 but	\$1,512.00 plus 7.20% of





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1	not over \$36,000	excess over \$28,800
2	Over \$36,000 but	\$2,030.00 plus 7.60% of
3	not over \$54,000	excess over \$36,000
4	Over \$54,000 but	\$3,398.00 plus 7.90% of
5	not over \$72,000	excess over \$54,000
6	Over \$72,000	\$4,820.00 plus 8.25% of
7		excess over \$72,000.

8 In the case of any taxable year beginning after  
9 December 31, 2017:

10	If the taxable income is:	The tax shall be:
11	Not over \$3,600	1.40% of taxable income
12	Over \$3,600 but	\$50.00 plus 3.20% of
13	not over \$7,200	excess over \$3,600
14	Over \$7,200 but	\$166.00 plus 5.50% of
15	not over \$14,400	excess over \$7,200
16	Over \$14,400 but	\$562.00 plus 6.40% of
17	not over \$21,600	excess over \$14,400
18	Over \$21,600 but	\$1,022.00 plus 6.80% of
19	not over \$28,800	excess over \$21,600
20	Over \$28,800 but	\$1,512.00 plus 7.20% of
21	not over \$36,000	excess over \$28,800



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1	Over \$36,000 but	\$2,030.00 plus 7.60% of
2	not over \$54,000	excess over \$36,000
3	Over \$54,000 but	\$3,398.00 plus 7.90% of
4	not over \$72,000	excess over \$54,000
5	Over \$72,000 but	\$4,820.00 plus 8.25% of
6	not over \$225,000	excess over \$72,000
7	Over \$225,000 but	\$17,443.00 plus 9.00% of
8	not over \$262,500	excess over \$225,000
9	Over \$262,500 but	\$20,818.00 plus 10.00% of
10	not over \$300,000	excess over \$262,500
11	Over \$300,000	\$24,568.00 plus 11.00% of
12		excess over \$300,000.

13 In case of any taxable year beginning after December 31,

14 2020:

15	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
16	<u>Not over \$12,000</u>	<u>0% of taxable income</u>
17	<u>Over \$12,000 but</u>	<u>\$0 plus 6.50% of</u>
18	<u>not over \$14,400</u>	<u>excess over \$12,000</u>
19	<u>Over \$14,400 but</u>	<u>\$156.00 plus 7.40% of</u>
20	<u>not over \$21,600</u>	<u>excess over \$14,400</u>
21	<u>Over \$21,600 but</u>	<u>\$689.00 plus 7.80% of</u>



1	<u>not over \$28,800</u>	<u>excess over \$21,600</u>
2	<u>Over \$28,800 but</u>	<u>\$1,250.00 plus 8.20% of</u>
3	<u>not over \$36,000</u>	<u>excess over \$28,800</u>
4	<u>Over \$36,000 but</u>	<u>\$1,841.00 plus 8.60% of</u>
5	<u>not over \$54,000</u>	<u>excess over \$36,000</u>
6	<u>Over \$54,000 but</u>	<u>\$3,389.00 plus 8.90% of</u>
7	<u>not over \$72,000</u>	<u>excess over \$54,000</u>
8	<u>Over \$72,000 but</u>	<u>\$4,991.00 plus 9.25% of</u>
9	<u>not over \$225,000</u>	<u>excess over \$72,000</u>
10	<u>Over \$225,000 but</u>	<u>\$19,143.00 plus 10.00% of</u>
11	<u>not over \$262,500</u>	<u>excess over \$225,000</u>
12	<u>Over \$262,500</u>	<u>\$22,893.00 plus 11.00% of</u>
13		<u>excess over \$262,500.</u>

14 (c) There is hereby imposed on the taxable income of (1)  
 15 every unmarried individual (other than a surviving spouse, or  
 16 the head of a household) and (2) on the taxable income of every  
 17 married individual who does not make a single return jointly  
 18 with the individual's spouse under section 235-93 a tax  
 19 determined in accordance with the following table:

20 In the case of any taxable year beginning after  
 21 December 31, 2001:



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1	If the taxable income is:	The tax shall be:
2	Not over \$2,000	1.40% of taxable income
3	Over \$2,000 but	\$28.00 plus 3.20% of
4	not over \$4,000	excess over \$2,000
5	Over \$4,000 but	\$92.00 plus 5.50% of
6	not over \$8,000	excess over \$4,000
7	Over \$8,000 but	\$312.00 plus 6.40% of
8	not over \$12,000	excess over \$8,000
9	Over \$12,000 but	\$568.00 plus 6.80% of
10	not over \$16,000	excess over \$12,000
11	Over \$16,000 but	\$840.00 plus 7.20% of
12	not over \$20,000	excess over \$16,000
13	Over \$20,000 but	\$1,128.00 plus 7.60% of
14	not over \$30,000	excess over \$20,000
15	Over \$30,000 but	\$1,888.00 plus 7.90% of
16	not over \$40,000	excess over \$30,000
17	Over \$40,000	\$2,678.00 plus 8.25% of
18		excess over \$40,000.

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

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



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1	Not over \$2,400	1.40% of taxable income
2	Over \$2,400 but	\$34.00 plus 3.20% of
3	not over \$4,800	excess over \$2,400
4	Over \$4,800 but	\$110.00 plus 5.50% of
5	not over \$9,600	excess over \$4,800
6	Over \$9,600 but	\$374.00 plus 6.40% of
7	not over \$14,400	excess over \$9,600
8	Over \$14,400 but	\$682.00 plus 6.80% of
9	not over \$19,200	excess over \$14,400
10	Over \$19,200 but	\$1,008.00 plus 7.20% of
11	not over \$24,000	excess over \$19,200
12	Over \$24,000 but	\$1,354.00 plus 7.60% of
13	not over \$36,000	excess over \$24,000
14	Over \$36,000 but	\$2,266.00 plus 7.90% of
15	not over \$48,000	excess over \$36,000
16	Over \$48,000	\$3,214.00 plus 8.25% of
17		excess over \$48,000.

18 In the case of any taxable year beginning after

19 December 31, 2017:

20	If the taxable income is:	The tax shall be:
21	Not over \$2,400	1.40% of taxable income



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1	Over \$2,400 but	\$34.00 plus 3.20% of
2	not over \$4,800	excess over \$2,400
3	Over \$4,800 but	\$110.00 plus 5.50% of
4	not over \$9,600	excess over \$4,800
5	Over \$9,600 but	\$374.00 plus 6.40% of
6	not over \$14,400	excess over \$9,600
7	Over \$14,400 but	\$682.00 plus 6.80% of
8	not over \$19,200	excess over \$14,400
9	Over \$19,200 but	\$1,008.00 plus 7.20% of
10	not over \$24,000	excess over \$19,200
11	Over \$24,000 but	\$1,354.00 plus 7.60% of
12	not over \$36,000	excess over \$24,000
13	Over \$36,000 but	\$2,266.00 plus 7.90% of
14	not over \$48,000	excess over \$36,000
15	Over \$48,000 but	\$3,214.00 plus 8.25% of
16	not over \$150,000	excess over \$48,000
17	Over \$150,000 but	\$11,629.00 plus 9.00% of
18	not over \$175,000	excess over \$150,000
19	Over \$175,000 but	\$13,879.00 plus 10.00% of
20	not over \$200,000	excess over \$175,000
21	Over \$200,000	\$16,379.00 plus 11.00% of



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excess over \$200,000.

In case of any taxable year beginning after December 31,  
2020:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$12,000</u>	<u>0% of taxable income</u>
<u>Over \$12,000 but</u> <u>not over \$14,400</u>	<u>\$0 plus 7.40% of</u> <u>excess over \$12,000</u>
<u>Over \$14,400 but</u> <u>not over \$19,200</u>	<u>\$178.00 plus 7.80% of</u> <u>excess over \$14,400</u>
<u>Over \$19,200 but</u> <u>not over \$24,000</u>	<u>\$552.00 plus 8.20% of</u> <u>excess over \$19,200</u>
<u>Over \$24,000 but</u> <u>not over \$36,000</u>	<u>\$946.00 plus 8.60% of</u> <u>excess over \$24,000</u>
<u>Over \$36,000 but</u> <u>not over \$48,000</u>	<u>\$1,978.00 plus 8.90% of</u> <u>excess over \$36,000</u>
<u>Over \$48,000 but</u> <u>not over \$150,000</u>	<u>\$3,046.00 plus 9.25% of</u> <u>excess over \$48,000</u>
<u>Over \$150,000 but</u> <u>not over \$175,000</u>	<u>\$12,481.00 plus 10.00% of</u> <u>excess over \$150,000</u>
<u>Over \$175,000</u>	<u>\$14,981.00 plus 11.00% of</u> <u>excess over \$175,000."</u>







# S.B. NO. 3124

**Report Title:**

Income Tax Rates

**Description:**

Amends the income tax rates by changing the tax brackets beginning after 12/31/2020.

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

