
A BILL FOR AN ACT

RELATING TO INCOME TAX REDUCTION.

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

1 SECTION 1. The purpose of this Act is to decrease the
2 income tax burden on Hawaii's workers with lower salaries by
3 reducing the tax rate to zero for those with incomes less than
4 \$150,000 for a single, \$300,000 for a married, and \$225,000 for
5 a head of household.

6 SECTION 2. Section 235-51, Hawaii Revised Statutes, is
7 amended to read as follows:

8 **"PART III. INDIVIDUAL INCOME TAX**

9 **§235-51 Tax imposed on individuals; rates.** (a) There is
10 hereby imposed on the taxable income of every:

11 (1) Taxpayer who files a joint return under section 235-
12 93; and

13 (2) Surviving spouse,

14 a tax determined in accordance with the following table:

15 In the case of any taxable year beginning after December
16 31, [~~2017~~]2023:



H.B. NO. 624

1	If the taxable income is:	The tax shall be:
2	[Not over \$4,800	1.40% of taxable income
3	Over \$4,800 but	\$67.00 plus 3.20% of
4	not over \$9,600	excess over \$4,800
5	Over \$9,600 but	\$221.00 plus 5.50% of
6	not over \$19,200	excess over \$9,600
7	Over \$19,200 but	\$749.00 plus 6.40% of
8	not over \$28,800	excess over \$19,200
9	Over \$28,800 but	\$1,363.00 plus 6.80% of
10	not over \$38,400	excess over \$28,800
11	Over \$38,400 but	\$2,016.00 plus 7.20% of
12	not over \$48,000	excess over \$38,400
13	Over \$48,000 but	\$2,707.00 plus 7.60% of
14	not over \$72,000	excess over \$48,000
15	Over \$72,000 but	\$4,531.00 plus 7.90% of
16	not over \$96,000	excess over \$72,000
17	Over \$96,000 but	\$6,427.00 plus 8.25% of]
18	[⌘] <u>Not over \$300,000</u>	[excess over \$96,000] <u>zero</u>
19	Over \$300,000 but	\$23,257.00 plus 9.00% of
20	not over \$350,000	excess over \$300,000
21	Over \$350,000 but	\$27,757.00 plus 10.00% of



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1	not over \$400,000	excess over \$350,000
2	Over \$400,000	\$32,757.00 plus 11.00% of
3		excess over \$400,000.

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

7 In the case of any taxable year beginning after December
 8 31, ~~2017~~ 2023:

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



1	not over \$54,000	excess over \$36,000
2	Over \$54,000 but	\$3,398.00 plus 7.90% of
3	not over \$72,000	excess over \$54,000
4	Over \$72,000 but	\$4,820.00 plus 8.25% of]
5	[n] <u>Not over \$225,000</u>	[excess over
6	\$72,000] <u>zero</u>	
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 (c) There is hereby imposed on the taxable income of (1)
 14 every unmarried individual (other than a surviving spouse, or
 15 the head of a household) and (2) on the taxable income of every
 16 married individual who does not make a single return jointly
 17 with the individual's spouse under section 235-93 a tax
 18 determined in accordance with the following table:

19 In the case of any taxable year beginning after December
 20 31, [~~2017~~] 2023:

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



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 but~~ ~~\$3,214.00 plus 8.25% of]~~

17 [~~⌘~~] Not over \$150,000 ~~[excess over~~

18 \$48,000] zero

19 Over \$150,000 but \$11,629.00 plus 9.00% of

20 not over \$175,000 excess over \$150,000

21 Over \$175,000 but \$13,879.00 plus 10.00% of



1	not over \$200,000	excess over \$175,000
2	Over \$200,000	\$16,379.00 plus 11.00% of
3		excess over \$200,000.

4 (d) The tax imposed by section 235-2.45 on estates and
5 trusts shall be determined in accordance with the following
6 table:

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

9	If the taxable income is:	The tax shall be:
10	Not over \$2,000	1.40% of taxable income
11	Over \$2,000 but	\$28.00 plus 3.20% of
12	not over \$4,000	excess over \$2,000
13	Over \$4,000 but	\$92.00 plus 5.50% of
14	not over \$8,000	excess over \$4,000
15	Over \$8,000 but	\$312.00 plus 6.40% of
16	not over \$12,000	excess over \$8,000
17	Over \$12,000 but	\$568.00 plus 6.80% of
18	not over \$16,000	excess over \$12,000
19	Over \$16,000 but	\$840.00 plus 7.20% of
20	not over \$20,000	excess over \$16,000
21	Over \$20,000 but	\$1,128.00 plus 7.60% of



1	not over \$30,000	excess over \$20,000
2	Over \$30,000 but	\$1,888.00 plus 7.90% of
3	not over \$40,000	excess over \$30,000
4	Over \$40,000	\$2,678.00 plus 8.25% of
5		excess over \$40,000.

6 (e) Any taxpayer, other than a corporation, acting as a
7 business entity in more than one state who is required by this
8 chapter to file a return may elect to report and pay a tax of .5
9 per cent of the taxpayer's annual gross sales if the:

- 10 (1) Taxpayer's only activities in this State consist of
- 11 sales;
- 12 (2) Taxpayer does not own or rent real estate or tangible
- 13 personal property; and
- 14 (3) Taxpayer's annual gross sales in or into this State
- 15 during the tax year is not in excess of \$100,000.

16 (f) If a taxpayer has a net capital gain for any taxable
17 year to which this subsection applies, then the tax imposed by
18 this section shall not exceed the sum of:

- 19 (1) The tax computed at the rates and in the same manner
- 20 as if this subsection had not been enacted on the
- 21 greater of:



- 1 (A) The taxable income reduced by the amount of net
- 2 capital gain, or
- 3 (B) The amount of taxable income taxed at a rate
- 4 below 7.25 per cent, plus
- 5 (2) A tax of 7.25 per cent of the amount of taxable income
- 6 in excess of the amount determined under paragraph
- 7 (1).

8 This subsection shall apply to individuals, estates, and
9 trusts for taxable years beginning after December 31, 1986. "

10 SECTION 3. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act, upon its approval, shall apply to
13 taxable years beginning after December 31, 2023.

14

INTRODUCED BY:



JAN 20 2023



H.B. NO. ~~C24~~

Report Title:

Taxation; Income Tax Rates.

Description:

Decreases the tax burden on lower income workers by reducing the income tax rate to zero for all but top brackets of income earned.

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