

ACT 46

H.B. NO. 2404

A Bill for an Act Relating to Income Tax.

Be It Enacted by the Legislature of the State of Hawaii:

PART I

SECTION 1. Section 235-2.4, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

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

- (1) Section 63(c)(1)(B) (relating to the additional standard deduction), 63(c)(1)(C) (relating to the real property tax deduction), 63(c)(1)(D) (relating to the disaster loss deduction), 63(c)(1)(E) (relating to the motor vehicle sales tax deduction), 63(c)(4) (relating to inflation adjustments), 63(c)(7) (defining the real property tax deduction), 63(c)(8) (defining the disaster loss deduction), 63(c)(9) (defining the motor vehicle sales tax deduction), and 63(f) (relating to additional amounts for the aged or blind) of the Internal Revenue Code shall not be operative for purposes of this chapter;
- (2) Section 63(c)(2) (relating to the basic standard deduction) of the Internal Revenue Code shall be operative, except that the standard deduction amounts provided therein shall instead mean:
 - (A) \$4,400 in the case of:
 - (i) A joint return as provided by section 235-93; or
 - (ii) A surviving spouse (as defined in section 2(a) of the Internal Revenue Code);
 - (B) \$3,212 in the case of a head of household (as defined in section 2(b) of the Internal Revenue Code);
 - (C) \$2,200 in the case of an individual who is not married and who is not a surviving spouse or head of household; [ø]
 - (D) \$2,200 in the case of a married individual filing a separate return;
 - (E) For taxable years beginning after December 31, 2023:
 - (i) \$8,800 in the case of a joint return as provided by section 235-93 or a surviving spouse (as defined in section 2(a) of the Internal Revenue Code);
 - (ii) \$6,424 in the case of a head of household (as defined in section 2(b) of the Internal Revenue Code);

- (iii) \$4,400 in the case of an individual who is not married and who is not a surviving spouse or head of household;
or
 - (iv) \$4,400 in the case of a married individual filing a separate return;
- (F) For taxable years beginning after December 31, 2025:
- (i) \$16,000 in the case of a joint return as provided by section 235-93 or a surviving spouse (as defined in section 2(a) of the Internal Revenue Code);
 - (ii) \$12,000 in the case of a head of household (as defined in section 2(b) of the Internal Revenue Code);
 - (iii) \$8,000 in the case of an individual who is not married and who is not a surviving spouse or head of household;
or
 - (iv) \$8,000 in the case of a married individual filing a separate return;
- (G) For taxable years beginning after December 31, 2027:
- (i) \$18,000 in the case of a joint return as provided by section 235-93 or a surviving spouse (as defined in section 2(a) of the Internal Revenue Code);
 - (ii) \$13,500 in the case of a head of household (as defined in section 2(b) of the Internal Revenue Code);
 - (iii) \$9,000 in the case of an individual who is not married and who is not a surviving spouse or head of household;
or
 - (iv) \$9,000 in the case of a married individual filing a separate return;
- (H) For taxable years beginning after December 31, 2029:
- (i) \$20,000 in the case of a joint return as provided by section 235-93 or a surviving spouse (as defined in section 2(a) of the Internal Revenue Code);
 - (ii) \$15,000 in the case of a head of household (as defined in section 2(b) of the Internal Revenue Code);
 - (iii) \$10,000 in the case of an individual who is not married and who is not a surviving spouse or head of household;
or
 - (iv) \$10,000 in the case of a married individual filing a separate return; and
- (I) For taxable years beginning after December 31, 2030:
- (i) \$24,000 in the case of a joint return as provided by section 235-93 or a surviving spouse (as defined in section 2(a) of the Internal Revenue Code);
 - (ii) \$18,000 in the case of a head of household (as defined in section 2(b) of the Internal Revenue Code);
 - (iii) \$12,000 in the case of an individual who is not married and who is not a surviving spouse or head of household;
or
 - (iv) \$12,000 in the case of a married individual filing a separate return;
- (3) Section 63(c)(5) (limiting the basic standard deduction in the case of certain dependents) of the Internal Revenue Code shall be operative, except that the limitation shall be the greater of \$500 or the individual's earned income; and

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

PART II

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

- “(a) There is hereby imposed on the taxable income of every:
 (1) Taxpayer who files a joint return under section 235-93; and
 (2) Surviving spouse,

a tax determined in accordance with the following table:

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

If the taxable income is:	The tax shall be:
Not over \$4,800	1.40% of taxable income
Over \$4,800 but not over \$9,600	\$67.00 plus 3.20% of excess over \$4,800
Over \$9,600 but not over \$19,200	\$221.00 plus 5.50% of excess over \$9,600
Over \$19,200 but not over \$28,800	\$749.00 plus 6.40% of excess over \$19,200
Over \$28,800 but not over \$38,400	\$1,363.00 plus 6.80% of excess over \$28,800
Over \$38,400 but not over \$48,000	\$2,016.00 plus 7.20% of excess over \$38,400
Over \$48,000 but not over \$72,000	\$2,707.00 plus 7.60% of excess over \$48,000
Over \$72,000 but not over \$96,000	\$4,531.00 plus 7.90% of excess over \$72,000
Over \$96,000 but not over \$300,000	\$6,427.00 plus 8.25% of excess over \$96,000
Over \$300,000 but not over \$350,000	\$23,257.00 plus 9.00% of excess over \$300,000
Over \$350,000 but not over \$400,000	\$27,757.00 plus 10.00% of excess over \$350,000
Over \$400,000	\$32,757.00 plus 11.00% of excess over \$400,000.

In the case of any taxable year beginning after December 31, 2024:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$19,200</u>	<u>1.40% of taxable income</u>
<u>Over \$19,200 but not over \$28,800</u>	<u>\$269.00 plus 3.20% of excess over \$19,200</u>
<u>Over \$28,800 but not over \$38,400</u>	<u>\$576.00 plus 5.50% of excess over \$28,800</u>
<u>Over \$38,400 but not over \$48,000</u>	<u>\$1,104.00 plus 6.40% of excess over \$38,400</u>
<u>Over \$48,000 but not over \$72,000</u>	<u>\$1,718.00 plus 6.80% of excess over \$48,000</u>
<u>Over \$72,000 but not over \$96,000</u>	<u>\$3,350.00 plus 7.20% of excess over \$72,000</u>
<u>Over \$96,000 but not over \$250,000</u>	<u>\$5,078.00 plus 7.60% of excess over \$96,000</u>
<u>Over \$250,000 but not over \$350,000</u>	<u>\$16,782.00 plus 7.90% of excess over \$250,000</u>
<u>Over \$350,000 but not over \$450,000</u>	<u>\$24,682.00 plus 8.25% of excess over \$350,000</u>

<u>Over \$450,000 but not over \$550,000</u>	<u>\$32,932.00 plus 9.00% of excess over \$450,000</u>
<u>Over \$550,000 but not over \$650,000</u>	<u>\$41,932.00 plus 10.00% of excess over \$550,000</u>
<u>Over \$650,000</u>	<u>\$51,932.00 plus 11.00% of excess over \$650,000.</u>

In the case of any taxable year beginning after December 31, 2026:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$28,800</u>	<u>1.40% of taxable income</u>
<u>Over \$28,800 but not over \$38,400</u>	<u>\$403.00 plus 3.20% of excess over \$28,800</u>
<u>Over \$38,400 but not over \$48,000</u>	<u>\$710.00 plus 5.50% of excess over \$38,400</u>
<u>Over \$48,000 but not over \$72,000</u>	<u>\$1,238.00 plus 6.40% of excess over \$48,000</u>
<u>Over \$72,000 but not over \$96,000</u>	<u>\$2,774.00 plus 6.80% of excess over \$72,000</u>
<u>Over \$96,000 but not over \$250,000</u>	<u>\$4,406.00 plus 7.20% of excess over \$96,000</u>
<u>Over \$250,000 but not over \$350,000</u>	<u>\$15,494.00 plus 7.60% of excess over \$250,000</u>
<u>Over \$350,000 but not over \$450,000</u>	<u>\$23,094.00 plus 7.90% of excess over \$350,000</u>
<u>Over \$450,000 but not over \$550,000</u>	<u>\$30,994.00 plus 8.25% of excess over \$450,000</u>
<u>Over \$550,000 but not over \$650,000</u>	<u>\$39,244.00 plus 9.00% of excess over \$550,000</u>
<u>Over \$650,000 but not over \$800,000</u>	<u>\$48,244.00 plus 10.00% of excess over \$650,000</u>
<u>Over \$800,000</u>	<u>\$63,244.00 plus 11.00% of excess over \$800,000.</u>

In the case of any taxable year beginning after December 31, 2028:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$38,400</u>	<u>1.40% of taxable income</u>
<u>Over \$38,400 but not over \$48,000</u>	<u>\$538.00 plus 3.20% of excess over \$38,400</u>
<u>Over \$48,000 but not over \$72,000</u>	<u>\$845.00 plus 5.50% of excess over \$48,000</u>
<u>Over \$72,000 but not over \$96,000</u>	<u>\$2,165.00 plus 6.40% of excess over \$72,000</u>
<u>Over \$96,000 but not over \$250,000</u>	<u>\$3,701.00 plus 6.80% of excess over \$96,000</u>
<u>Over \$250,000 but not over \$350,000</u>	<u>\$14,173.00 plus 7.20% of excess over \$250,000</u>
<u>Over \$350,000 but not over \$450,000</u>	<u>\$21,373.00 plus 7.60% of excess over \$350,000</u>
<u>Over \$450,000 but not over \$550,000</u>	<u>\$28,973.00 plus 7.90% of excess over \$450,000</u>
<u>Over \$550,000 but not over \$650,000</u>	<u>\$36,873.00 plus 8.25% of excess over \$550,000</u>
<u>Over \$650,000 but not over \$800,000</u>	<u>\$45,123.00 plus 9.00% of excess over \$650,000</u>
<u>Over \$800,000 but not over \$950,000</u>	<u>\$58,623.00 plus 10.00% of excess over \$800,000</u>

Over \$950,000 \$73,623.00 plus 11.00% of excess over \$950,000.

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

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

If the taxable income is:	The tax shall be:
Not over \$3,600	1.40% of taxable income
Over \$3,600 but not over \$7,200	\$50.00 plus 3.20% of excess over \$3,600
Over \$7,200 but not over \$14,400	\$166.00 plus 5.50% of excess over \$7,200
Over \$14,400 but not over \$21,600	\$562.00 plus 6.40% of excess over \$14,400
Over \$21,600 but not over \$28,800	\$1,022.00 plus 6.80% of excess over \$21,600
Over \$28,800 but not over \$36,000	\$1,512.00 plus 7.20% of excess over \$28,800
Over \$36,000 but not over \$54,000	\$2,030.00 plus 7.60% of excess over \$36,000
Over \$54,000 but not over \$72,000	\$3,398.00 plus 7.90% of excess over \$54,000
Over \$72,000 but not over \$225,000	\$4,820.00 plus 8.25% of excess over \$72,000
Over \$225,000 but not over \$262,500	\$17,443.00 plus 9.00% of excess over \$225,000
Over \$262,500 but not over \$300,000	\$20,818.00 plus 10.00% of excess over \$262,500
Over \$300,000	\$24,568.00 plus 11.00% of excess over \$300,000.

In the case of any taxable year beginning after December 31, 2024:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$14,400</u>	<u>1.40% of taxable income</u>
<u>Over \$14,400 but not over \$21,600</u>	<u>\$202.00 plus 3.20% of excess over \$14,400</u>
<u>Over \$21,600 but not over \$28,800</u>	<u>\$432.00 plus 5.50% of excess over \$21,600</u>
<u>Over \$28,800 but not over \$36,000</u>	<u>\$828.00 plus 6.40% of excess over \$28,800</u>
<u>Over \$36,000 but not over \$54,000</u>	<u>\$1,289.00 plus 6.80% of excess over \$36,000</u>
<u>Over \$54,000 but not over \$72,000</u>	<u>\$2,513.00 plus 7.20% of excess over \$54,000</u>
<u>Over \$72,000 but not over \$187,500</u>	<u>\$3,809.00 plus 7.60% of excess over \$72,000</u>
<u>Over \$187,500 but not over \$262,500</u>	<u>\$12,587.00 plus 7.90% of excess over \$187,500</u>
<u>Over \$262,500 but not over \$337,500</u>	<u>\$18,512.00 plus 8.25% of excess over \$262,500</u>
<u>Over \$337,500 but not over \$412,500</u>	<u>\$24,699.00 plus 9.00% of excess over \$337,500</u>
<u>Over \$412,500 but not over \$487,500</u>	<u>\$31,449.00 plus 10.00% of excess over \$412,500</u>
<u>Over \$487,500</u>	<u>\$38,949.00 plus 11.00% of excess over \$487,500.</u>

In the case of any taxable year beginning after December 31, 2026:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$21,600</u>	<u>1.40% of taxable income</u>
<u>Over \$21,600 but not over \$28,800</u>	<u>\$302.00 plus 3.20% of excess over \$21,600</u>
<u>Over \$28,800 but not over \$36,000</u>	<u>\$533.00 plus 5.50% of excess over \$28,800</u>
<u>Over \$36,000 but not over \$54,000</u>	<u>\$929.00 plus 6.40% of excess over \$36,000</u>
<u>Over \$54,000 but not over \$72,000</u>	<u>\$2,081.00 plus 6.80% of excess over \$54,000</u>
<u>Over \$72,000 but not over \$187,500</u>	<u>\$3,305.00 plus 7.20% of excess over \$72,000</u>
<u>Over \$187,500 but not over \$262,500</u>	<u>\$11,621.00 plus 7.60% of excess over \$187,500</u>
<u>Over \$262,500 but not over \$337,500</u>	<u>\$17,321.00 plus 7.90% of excess over \$262,500</u>
<u>Over \$337,500 but not over \$412,500</u>	<u>\$23,246.00 plus 8.25% of excess over \$337,500</u>
<u>Over \$412,500 but not over \$487,500</u>	<u>\$29,433.00 plus 9.00% of excess over \$412,500</u>
<u>Over \$487,500 but not over \$600,000</u>	<u>\$36,183.00 plus 10.00% of excess over \$487,500</u>
<u>Over \$600,000</u>	<u>\$47,433.00 plus 11.00% of excess over \$600,000.</u>

In the case of any taxable year beginning after December 31, 2028:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$28,800</u>	<u>1.40% of taxable income</u>
<u>Over \$28,800 but not over \$36,000</u>	<u>\$403.00 plus 3.20% of excess over \$28,800</u>
<u>Over \$36,000 but not over \$54,000</u>	<u>\$634.00 plus 5.50% of excess over \$36,000</u>
<u>Over \$54,000 but not over \$72,000</u>	<u>\$1,624.00 plus 6.40% of excess over \$54,000</u>
<u>Over \$72,000 but not over \$187,500</u>	<u>\$2,776.00 plus 6.80% of excess over \$72,000</u>
<u>Over \$187,500 but not over \$262,500</u>	<u>\$10,630.00 plus 7.20% of excess over \$187,500</u>
<u>Over \$262,500 but not over \$337,500</u>	<u>\$16,030.00 plus 7.60% of excess over \$262,500</u>
<u>Over \$337,500 but not over \$412,500</u>	<u>\$21,730.00 plus 7.90% of excess over \$337,500</u>
<u>Over \$412,500 but not over \$487,500</u>	<u>\$27,655.00 plus 8.25% of excess over \$412,500</u>
<u>Over \$487,500 but not over \$600,000</u>	<u>\$33,842.00 plus 9.00% of excess over \$487,500</u>
<u>Over \$600,000 but not over \$712,500</u>	<u>\$43,967.00 plus 10.00% of excess over \$600,000</u>
<u>Over \$712,500</u>	<u>\$55,217.00 plus 11.00% of excess over \$712,500.</u>

(c) There is hereby imposed on the taxable income of (1) every unmarried individual (other than a surviving spouse, or the head of a household) and (2) on the taxable income of every married individual who does not make a single

return jointly with the individual's spouse under section 235-93 a tax determined in accordance with the following table:

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

If the taxable income is:	The tax shall be:
Not over \$2,400	1.40% of taxable income
Over \$2,400 but not over \$4,800	\$34.00 plus 3.20% of excess over \$2,400
Over \$4,800 but not over \$9,600	\$110.00 plus 5.50% of excess over \$4,800
Over \$9,600 but not over \$14,400	\$374.00 plus 6.40% of excess over \$9,600
Over \$14,400 but not over \$19,200	\$682.00 plus 6.80% of excess over \$14,400
Over \$19,200 but not over \$24,000	\$1,008.00 plus 7.20% of excess over \$19,200
Over \$24,000 but not over \$36,000	\$1,354.00 plus 7.60% of excess over \$24,000
Over \$36,000 but not over \$48,000	\$2,266.00 plus 7.90% of excess over \$36,000
Over \$48,000 but not over \$150,000	\$3,214.00 plus 8.25% of excess over \$48,000
Over \$150,000 but not over \$175,000	\$11,629.00 plus 9.00% of excess over \$150,000
Over \$175,000 but not over \$200,000	\$13,879.00 plus 10.00% of excess over \$175,000
Over \$200,000	\$16,379.00 plus 11.00% of excess over \$200,000.

In the case of any taxable year beginning after December 31, 2024:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$9,600</u>	<u>1.40% of taxable income</u>
<u>Over \$9,600 but not over \$14,400</u>	<u>\$134.00 plus 3.20% of excess over \$9,600</u>
<u>Over \$14,400 but not over \$19,200</u>	<u>\$288.00 plus 5.50% of excess over \$14,400</u>
<u>Over \$19,200 but not over \$24,000</u>	<u>\$552.00 plus 6.40% of excess over \$19,200</u>
<u>Over \$24,000 but not over \$36,000</u>	<u>\$859.00 plus 6.80% of excess over \$24,000</u>
<u>Over \$36,000 but not over \$48,000</u>	<u>\$1,675.00 plus 7.20% of excess over \$36,000</u>
<u>Over \$48,000 but not over \$125,000</u>	<u>\$2,539.00 plus 7.60% of excess over \$48,000</u>
<u>Over \$125,000 but not over \$175,000</u>	<u>\$8,391.00 plus 7.90% of excess over \$125,000</u>
<u>Over \$175,000 but not over \$225,000</u>	<u>\$12,341.00 plus 8.25% of excess over \$175,000</u>
<u>Over \$225,000 but not over \$275,000</u>	<u>\$16,466.00 plus 9.00% of excess over \$225,000</u>
<u>Over \$275,000 but not over \$325,000</u>	<u>\$20,966.00 plus 10.00% of excess over \$275,000</u>
<u>Over \$325,000</u>	<u>\$25,966.00 plus 11.00% of excess over \$325,000.</u>

In the case of any taxable year beginning after December 31, 2026:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$14,400</u>	<u>1.40% of taxable income</u>
<u>Over \$14,400 but not over \$19,200</u>	<u>\$202.00 plus 3.20% of excess over \$14,400</u>
<u>Over \$19,200 but not over \$24,000</u>	<u>\$355.00 plus 5.50% of excess over \$19,200</u>
<u>Over \$24,000 but not over \$36,000</u>	<u>\$619.00 plus 6.40% of excess over \$24,000</u>
<u>Over \$36,000 but not over \$48,000</u>	<u>\$1,387.00 plus 6.80% of excess over \$36,000</u>
<u>Over \$48,000 but not over \$125,000</u>	<u>\$2,203.00 plus 7.20% of excess over \$48,000</u>
<u>Over \$125,000 but not over \$175,000</u>	<u>\$7,747.00 plus 7.60% of excess over \$125,000</u>
<u>Over \$175,000 but not over \$225,000</u>	<u>\$11,547.00 plus 7.90% of excess over \$175,000</u>
<u>Over \$225,000 but not over \$275,000</u>	<u>\$15,497.00 plus 8.25% of excess over \$225,000</u>
<u>Over \$275,000 but not over \$325,000</u>	<u>\$19,622.00 plus 9.00% of excess over \$275,000</u>
<u>Over \$325,000 but not over \$400,000</u>	<u>\$24,122.00 plus 10.00% of excess over \$325,000</u>
<u>Over \$400,000</u>	<u>\$31,622.00 plus 11.00% of excess over \$400,000.</u>

In the case of any taxable year beginning after December 31, 2028:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$19,200</u>	<u>1.40% of taxable income</u>
<u>Over \$19,200 but not over \$24,000</u>	<u>\$269.00 plus 3.20% of excess over \$19,200</u>
<u>Over \$24,000 but not over \$36,000</u>	<u>\$422.00 plus 5.50% of excess over \$24,000</u>
<u>Over \$36,000 but not over \$48,000</u>	<u>\$1,082.00 plus 6.40% of excess over \$36,000</u>
<u>Over \$48,000 but not over \$125,000</u>	<u>\$1,850.00 plus 6.80% of excess over \$48,000</u>
<u>Over \$125,000 but not over \$175,000</u>	<u>\$7,086.00 plus 7.20% of excess over \$125,000</u>
<u>Over \$175,000 but not over \$225,000</u>	<u>\$10,686.00 plus 7.60% of excess over \$175,000</u>
<u>Over \$225,000 but not over \$275,000</u>	<u>\$14,486.00 plus 7.90% of excess over \$225,000</u>
<u>Over \$275,000 but not over \$325,000</u>	<u>\$18,436.00 plus 8.25% of excess over \$275,000</u>
<u>Over \$325,000 but not over \$400,000</u>	<u>\$22,561.00 plus 9.00% of excess over \$325,000</u>
<u>Over \$400,000 but not over \$475,000</u>	<u>\$29,311.00 plus 10.00% of excess over \$400,000</u>
<u>Over \$475,000</u>	<u>\$36,811.00 plus 11.00% of excess over \$475,000.”</u>

PART III

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

ACT 46

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

(Approved June 3, 2024.)