
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The purpose of this Act is to amend Hawaii tax
2 law to institute improvements and equity among taxpayers.

3 More specifically, this Act makes the deduction for state
4 taxes paid inoperative for corporate taxpayers and the following
5 individual taxpayers:

6 (1) An individual filer with federal adjusted gross income
7 of \$70,000 or more;

8 (2) A head of household with federal adjusted gross income
9 of \$105,000 or more; and

10 (3) A joint or surviving spouse filer with federal
11 adjusted gross income of \$140,000 or more.

12 SECTION 2. Section 235-2.4, Hawaii Revised Statutes, is
13 amended by amending subsection (h) to read as follows:

14 "(h) Section 164 (with respect to taxes) of the Internal
15 Revenue Code shall be operative for the purposes of this
16 chapter, except that ~~[sections]~~:"

17 (1) Sections 164(a)(6) and 164(b)(6) shall not be
18 operative for the purposes of this chapter~~[-]~~; and



1 (2) The deductions under sections 164(a)(3) and 164(b)(5)
2 shall not be operative for corporate taxpayers and
3 shall be operative only for the following individual
4 taxpayers:

5 (A) A taxpayer filing a single return or a married
6 person filing separately with a federal adjusted
7 gross income of less than \$70,000;

8 (B) A taxpayer filing as a head of household with a
9 federal adjusted gross income of less than
10 \$105,000; and

11 (C) A taxpayer filing a joint return or as a
12 surviving spouse with a federal adjusted gross
13 income of less than \$140,000."

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 Statutory material to be repealed is bracketed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

16 SECTION 4. This Act shall take effect on July 1, 2117, and
17 shall apply to taxable years beginning after December 31, 2010.



Report Title:

Taxation; Tax Improvement

Description:

Makes the deduction for state taxes paid inoperative for corporate taxpayers and: (1) An individual filer with federal adjusted gross income of \$70,000 or more; (2) A head of household with federal adjusted gross income of \$105,000 or more; and (3) A joint or surviving spouse filer with federal adjusted gross income of \$140,000 or more. Effective 7/1/2117 and applicable to taxpayer years beginning after 12/31/2010.
(SD3)

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