
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 legislature finds that Hawaii's state tax
2 burden is the worst in the nation for low-income wage earners.
3 The combined effects of the income tax and general excise tax
4 results in the bottom twenty per cent of low-income residents
5 spending a higher percentage, 12.2 per cent, of their \$9,800
6 income for taxes than all other earners. This rate is almost
7 twice the 6.3 per cent of taxes paid by people with an income of
8 \$1.4 million or above who are the top one per cent of the income
9 earners. The cost of living in Hawaii is one hundred sixty-five
10 per cent of the national average, while Hawaii has the lowest
11 national adjusted-average income, \$22,108.

12 The purpose of this Act is to decrease by twenty-five per
13 cent the income tax rates for all but the top income earners.

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

17



H.B. NO. 1929

1 **"§235-51 Tax imposed on individuals; rates.** (a) There is
 2 hereby imposed on the taxable income of (1) every taxpayer who
 3 files a joint return under section 235-93; and (2) every
 4 surviving spouse a tax determined in accordance with the
 5 following table:

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

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



H.B. NO. 1919

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

5 In the case of any taxable year beginning after
6 December 31, 2006:

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



H.B. NO. 1919

1 not over \$96,000 excess over \$72,000
2 Over \$96,000 \$6,427.00 plus 8.25% of
3 excess over \$96,000.

4 In the case of any taxable year beginning after
5 December 31, 2015:

6	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
7	<u>Not over \$4,800</u>	<u>1.05% of taxable income</u>
8	<u>Over \$4,800 but</u>	<u>\$67.00 plus 2.40% of</u>
9	<u>not over \$9,600</u>	<u>excess over \$4,800</u>
10	<u>Over \$9,600 but</u>	<u>\$221.00 plus 4.10% of</u>
11	<u>not over \$19,200</u>	<u>excess over \$9,600</u>
12	<u>Over \$19,200 but</u>	<u>\$749.00 plus 4.80% of</u>
13	<u>not over \$28,800</u>	<u>excess over \$19,200</u>
14	<u>Over \$28,800 but</u>	<u>\$1,363.00 plus 5.10% of</u>
15	<u>not over \$38,400</u>	<u>excess over \$28,800</u>
16	<u>Over \$38,400 but</u>	<u>\$2,016.00 plus 5.40% of</u>
17	<u>not over \$48,000</u>	<u>excess over \$38,400</u>
18	<u>Over \$48,000 but</u>	<u>\$2,707.00 plus 5.70% of</u>
19	<u>not over \$72,000</u>	<u>excess over \$48,000</u>
20	<u>Over \$72,000 but</u>	<u>\$4,531.00 plus 5.90% of</u>
21	<u>not over \$96,000</u>	<u>excess over \$72,000</u>



H.B. NO. 1919

1	<u>Over \$96,000 but</u>	<u>\$6,427.00 plus 6.20% of</u>
2	<u>not over \$300,000</u>	<u>excess over \$96,000</u>
3	<u>Over \$300,000 but</u>	<u>\$23,257.00 plus 9.00%</u>
4	<u>not over \$350,000</u>	<u>excess over \$300,000</u>
5	<u>Over \$350,000 but</u>	<u>\$27,757.00 plus 10.00% of</u>
6	<u>not over \$400,000</u>	<u>excess over \$300,000</u>
7	<u>Over \$400,000</u>	<u>\$32,757.00 plus 11.00% of</u>
8		<u>excess over \$400,000.</u>

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

12 In the case of any taxable year beginning after
13 December 31, 2001:

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



1	Over \$18,000 but	\$852.00 plus 6.80% of
2	not over \$24,000	excess over \$18,000
3	Over \$24,000 but	\$1,260.00 plus 7.20% of
4	not over \$30,000	excess over \$24,000
5	Over \$30,000 but	\$1,692.00 plus 7.60% of
6	not over \$45,000	excess over \$30,000
7	Over \$45,000 but	\$2,832.00 plus 7.90% of
8	not over \$60,000	excess over \$45,000
9	Over \$60,000	\$4,017.00 plus 8.25% of
10		excess over \$60,000.

11 In the case of any taxable year beginning after
12 December 31, 2006:

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



H.B. NO. 1119

1	not over \$28,800	excess over \$21,600
2	Over \$28,800 but	\$1,512.00 plus 7.20% of
3	not over \$36,000	excess over \$28,800
4	Over \$36,000 but	\$2,030.00 plus 7.60% of
5	not over \$54,000	excess over \$36,000
6	Over \$54,000 but	\$3,398.00 plus 7.90% of
7	not over \$72,000	excess over \$54,000
8	Over \$72,000	\$4,820.00 plus 8.25% of
9		excess over \$72,000.

10 In the case of any taxable year beginning after
 11 December 31, 2015:

12	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
13	<u>Not over \$3,600</u>	<u>1.05% of taxable income</u>
14	<u>Over \$3,600 but</u>	<u>\$50.00 plus 2.40% of</u>
15	<u>not over \$7,200</u>	<u>excess over \$3,600</u>
16	<u>Over \$7,200 but</u>	<u>\$166.00 plus 4.10% of</u>
17	<u>not over \$14,400</u>	<u>excess over \$7,200</u>
18	<u>Over \$14,400 but</u>	<u>\$562.00 plus 4.80% of</u>
19	<u>not over \$21,600</u>	<u>excess over \$14,400</u>
20	<u>Over \$21,600 but</u>	<u>\$1,022.00 plus 5.10% of</u>
21	<u>not over \$28,800</u>	<u>excess over \$21,600</u>



H.B. NO. 1919

1	<u>Over \$28,800 but</u>	<u>\$1,512.00 plus 5.40% of</u>
2	<u>not over \$36,000</u>	<u>excess over \$28,800</u>
3	<u>Over \$36,000 but</u>	<u>\$2,030.00 plus 5.70% of</u>
4	<u>not over \$54,000</u>	<u>excess over \$36,000</u>
5	<u>Over \$54,000 but</u>	<u>\$3,398.00 plus 5.90% of</u>
6	<u>not over \$72,000</u>	<u>excess over \$54,000</u>
7	<u>Over \$72,000 but</u>	<u>\$4,820.00 plus 6.20% of</u>
8	<u>not over \$225,000</u>	<u>excess over \$72,000</u>
9	<u>Over \$225,000 but</u>	<u>\$17,443.00 plus 9.00% of</u>
10	<u>not over \$262,500</u>	<u>excess over \$225,000</u>
11	<u>Over \$262,500 but</u>	<u>\$20,818.00 plus 10.00% of</u>
12	<u>not over \$300,000</u>	<u>excess over \$262,500</u>
13	<u>Over \$300,000</u>	<u>\$24,568.00 plus 11.00% of</u>
14		<u>excess over \$300,000.</u>

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



H.B. NO. 1919

1 In the case of any taxable year beginning after
2 December 31, 2001:

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



H.B. NO. 1919

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

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



H.B. NO. 1919

1	<u>In the case of any taxable year beginning after</u>	
2	<u>December 31, 2015:</u>	
3	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
4	<u>Not over \$2,400</u>	<u>1.05% of taxable income</u>
5	<u>Over \$2,400 but</u>	<u>\$34.00 plus 2.40% of</u>
6	<u>not over \$4,800</u>	<u>excess over \$2,400</u>
7	<u>Over \$4,800 but</u>	<u>\$110.00 plus 4.10% of</u>
8	<u>not over \$9,600</u>	<u>excess over \$4,800</u>
9	<u>Over \$9,600 but</u>	<u>\$374.00 plus 4.80% of</u>
10	<u>not over \$14,400</u>	<u>excess over \$9,600</u>
11	<u>Over \$14,400 but</u>	<u>\$682.00 plus 5.10% of</u>
12	<u>not over \$19,200</u>	<u>excess over \$14,400</u>
13	<u>Over \$19,200 but</u>	<u>\$1,008.00 plus 5.40% of</u>
14	<u>not over \$24,000</u>	<u>excess over \$19,200</u>
15	<u>Over \$24,000 but</u>	<u>\$1,354.00 plus 5.70% of</u>
16	<u>not over \$36,000</u>	<u>excess over \$24,000</u>
17	<u>Over \$36,000 but</u>	<u>\$2,266.00 plus 5.90% of</u>
18	<u>not over \$48,000</u>	<u>excess over \$36,000</u>
19	<u>Over \$48,000 but</u>	<u>\$3,214.00 plus 6.20% of</u>
20	<u>not over \$150,000</u>	<u>excess over \$48,000</u>
21	<u>Over \$150,000 but</u>	<u>\$11,629.00 plus 9.00% of</u>



H.B. NO. 1919

1	<u>not over \$175,000</u>	<u>excess over \$150,000</u>
2	<u>Over \$175,000 but</u>	<u>\$13,879.00 plus 10.00% of</u>
3	<u>Not over \$200,000</u>	<u>excess over \$175,000</u>
4	<u>Over \$200,000</u>	<u>\$16,379.00 plus 11.00% of</u>
5		<u>excess over \$200,000."</u>

6 SECTION 3. New statutory material is underscored.

7 SECTION 4. This Act, upon its approval, shall apply to
8 taxable years beginning after December 31, 2015.

9

INTRODUCED BY:

[Signature]
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JAN 22 2016



H.B. NO. 1919

Report Title:

Taxation; Income Tax Rates.

Description:

Decreases the income tax by twenty-five per cent for all but top income earners.

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