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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 the State has the  
2 highest cost of living and housing in the nation, causing many  
3 people to struggle to make ends meet even though they are  
4 employed. Hawaii is one of only fifteen states that impose a  
5 tax on the income of those who are at or below the poverty  
6 level. Most states either provide a refund or require no  
7 payment. The National Center for Children in Poverty shows  
8 that, compared to other states, Hawaii places the second highest  
9 tax burden on families at or below the poverty level.

10           Eliminating the state income tax liability in the lowest  
11 tax brackets would help workers living at or below the poverty  
12 line.

13           The purpose of this Act is to provide targeted tax relief  
14 to those with the lowest incomes in the State.

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



1           "(a) There is hereby imposed on the taxable income of  
2 every:

3           (1) Taxpayer who files a joint return under section  
4                 235-93; and

5           (2) Surviving spouse,

6 a tax determined in accordance with the following table:

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

If the taxable income is:	The tax shall be:
Not over \$4,000	1.40% of taxable income
Over \$4,000 but not over \$8,000	\$56.00 plus 3.20% of excess over \$4,000
Over \$8,000 but not over \$16,000	\$184.00 plus 5.50% of excess over \$8,000
Over \$16,000 but not over \$24,000	\$624.00 plus 6.40% of excess over \$16,000
Over \$24,000 but not over \$32,000	\$1,136.00 plus 6.80% of excess over \$24,000
Over \$32,000 but not over \$40,000	\$1,680.00 plus 7.20% of excess over \$32,000
Over \$40,000 but	\$2,256.00 plus 7.60% of



1	not over \$60,000	excess over \$40,000
2	Over \$60,000 but	\$3,776.00 plus 7.90% of
3	not over \$80,000	excess over \$60,000
4	Over \$80,000	\$5,356.00 plus 8.25% of
5		excess over \$80,000.

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

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



1 Over \$72,000 but \$4,531.00 plus 7.90% of  
2 not over \$96,000 excess over \$72,000  
3 Over \$96,000 \$6,427.00 plus 8.25% of  
4 excess over \$96,000.

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

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



1	not over \$96,000	excess over \$72,000
2	Over \$96,000 but	\$6,427.00 plus 8.25% of
3	not over \$300,000	excess over \$96,000
4	Over \$300,000 but	\$23,257.00 plus 9.00% of
5	not over \$350,000	excess over \$300,000
6	Over \$350,000 but	\$27,757.00 plus 10.00% of
7	not over \$400,000	excess over \$350,000
8	Over \$400,000	\$32,757.00 plus 11.00% of
9		excess over \$400,000.

10 In the case of any taxable year beginning after  
 11 December 31, 2018:

12	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
13	<u>Over \$6,600 but</u>	<u>_____ % of</u>
14	<u>not over \$9,600</u>	<u>excess over \$6,600</u>
15	<u>Over \$9,600 but</u>	<u>\$_____ plus _____ % of</u>
16	<u>not over \$28,800</u>	<u>excess over \$9,600</u>
17	<u>Over \$28,800 but</u>	<u>\$_____ plus _____ % of</u>
18	<u>not over \$38,400</u>	<u>excess over \$28,800</u>
19	<u>Over \$38,400 but</u>	<u>\$_____ plus _____ % of</u>
20	<u>not over \$48,000</u>	<u>excess over \$38,400</u>
21	<u>Over \$48,000 but</u>	<u>\$_____ plus _____ % of</u>



1	<u>not over \$72,000</u>	<u>excess over \$48,000</u>
2	<u>Over \$72,000 but</u>	\$ _____ plus _____ % of
3	<u>not over \$96,000</u>	<u>excess over \$72,000</u>
4	<u>Over \$96,000 but</u>	\$ _____ plus _____ % of
5	<u>not over \$300,000</u>	<u>excess over \$96,000</u>
6	<u>Over \$300,000 but</u>	\$ _____ plus _____ % of
7	<u>not over \$350,000</u>	<u>excess over \$300,000</u>
8	<u>Over \$350,000 but</u>	\$ _____ plus _____ % of
9	<u>not over \$400,000</u>	<u>excess over \$350,000</u>
10	<u>Over \$400,000</u>	\$ _____ plus _____ % of
11		<u>excess over \$400,000.</u>

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

15 In the case of any taxable year beginning after  
 16 December 31, 2001:

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



1	not over \$12,000	excess over \$6,000
2	Over \$12,000 but	\$468.00 plus 6.40% of
3	not over \$18,000	excess over \$12,000
4	Over \$18,000 but	\$852.00 plus 6.80% of
5	not over \$24,000	excess over \$18,000
6	Over \$24,000 but	\$1,260.00 plus 7.20% of
7	not over \$30,000	excess over \$24,000
8	Over \$30,000 but	\$1,692.00 plus 7.60% of
9	not over \$45,000	excess over \$30,000
10	Over \$45,000 but	\$2,832.00 plus 7.90% of
11	not over \$60,000	excess over \$45,000
12	Over \$60,000	\$4,017.00 plus 8.25% of
13		excess over \$60,000.

14 In the case of any taxable year beginning after  
15 December 31, 2006:

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



1	Over \$14,400 but	\$562.00 plus 6.40% of
2	not over \$21,600	excess over \$14,400
3	Over \$21,600 but	\$1,022.00 plus 6.80% of
4	not over \$28,800	excess over \$21,600
5	Over \$28,800 but	\$1,512.00 plus 7.20% of
6	not over \$36,000	excess over \$28,800
7	Over \$36,000 but	\$2,030.00 plus 7.60% of
8	not over \$54,000	excess over \$36,000
9	Over \$54,000 but	\$3,398.00 plus 7.90% of
10	not over \$72,000	excess over \$54,000
11	Over \$72,000	\$4,820.00 plus 8.25% of
12		excess over \$72,000.

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

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





1	not over \$21,600	excess over \$14,400
2	Over \$21,600 but	\$1,022.00 plus 6.80% of
3	not over \$28,800	excess over \$21,600
4	Over \$28,800 but	\$1,512.00 plus 7.20% of
5	not over \$36,000	excess over \$28,800
6	Over \$36,000 but	\$2,030.00 plus 7.60% of
7	not over \$54,000	excess over \$36,000
8	Over \$54,000 but	\$3,398.00 plus 7.90% of
9	not over \$72,000	excess over \$54,000
10	Over \$72,000 but	\$4,820.00 plus 8.25% of
11	not over \$225,000	excess over \$72,000
12	Over \$225,000 but	\$17,443.00 plus 9.00% of
13	not over \$262,500	excess over \$225,000
14	Over \$262,500 but	\$20,818.00 plus 10.00% of
15	not over \$300,000	excess over \$262,500
16	Over \$300,000	\$24,568.00 plus 11.00% of
17		excess over \$300,000.

18 In the case of any taxable year beginning after

19 December 31, 2018:

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

21 Over \$4,800 but                      % of



1	<u>not over \$7,200</u>	<u>excess over \$4,800</u>
2	<u>Over \$7,200 but</u>	<u>\$ _____ plus _____ % of</u>
3	<u>not over \$21,600</u>	<u>excess over \$7,200</u>
4	<u>Over \$21,600 but</u>	<u>\$ _____ plus _____ % of</u>
5	<u>not over \$28,800</u>	<u>excess over \$21,600</u>
6	<u>Over \$28,800 but</u>	<u>\$ _____ plus _____ % of</u>
7	<u>not over \$36,000</u>	<u>excess over \$28,800</u>
8	<u>Over \$36,000 but</u>	<u>\$ _____ plus _____ % of</u>
9	<u>not over \$54,000</u>	<u>excess over \$36,000</u>
10	<u>Over \$54,000 but</u>	<u>\$ _____ plus _____ % of</u>
11	<u>not over \$72,000</u>	<u>excess over \$54,000</u>
12	<u>Over \$72,000 but</u>	<u>\$ _____ plus _____ % of</u>
13	<u>not over \$225,000</u>	<u>excess over \$72,000</u>
14	<u>Over \$225,000 but</u>	<u>\$ _____ plus _____ % of</u>
15	<u>not over \$262,500</u>	<u>excess over \$225,000</u>
16	<u>Over \$262,500 but</u>	<u>\$ _____ plus _____ % of</u>
17	<u>not over \$300,000</u>	<u>excess over \$262,500</u>
18	<u>Over \$300,000</u>	<u>\$ _____ plus _____ % of</u>
19		<u>excess over \$300,000.</u>

20 (c) There is hereby imposed on the taxable income of (1)  
 21 every unmarried individual (other than a surviving spouse, or



1 the head of a household) and (2) on the taxable income of every  
2 married individual who does not make a single return jointly  
3 with the individual's spouse under section 235-93 a tax  
4 determined in accordance with the following table:

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

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



1	not over \$40,000	excess over \$30,000
2	Over \$40,000	\$2,678.00 plus 8.25% of
3		excess over \$40,000.

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

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



1 Over \$48,000 \$3,214.00 plus 8.25% of  
2 excess over \$48,000.

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

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



1 not over \$150,000 excess over \$48,000  
 2 Over \$150,000 but \$11,629.00 plus 9.00% of  
 3 not over \$175,000 excess over \$150,000  
 4 Over \$175,000 but \$13,879.00 plus 10.00% of  
 5 not over \$200,000 excess over \$175,000  
 6 Over \$200,000 \$16,379.00 plus 11.00% of  
 7 excess over \$200,000.

8 In the case of any taxable year beginning after  
 9 December 31, 2018:

10	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
11	<u>Over \$3,300 but</u>	<u>_____ % of</u>
12	<u>not over \$4,800</u>	<u>_____ excess over \$3,300</u>
13	<u>Over \$4,800 but</u>	<u>\$_____ plus _____ % of</u>
14	<u>not over \$14,400</u>	<u>_____ excess over \$4,800</u>
15	<u>Over \$14,400 but</u>	<u>\$_____ plus _____ % of</u>
16	<u>not over \$19,200</u>	<u>_____ excess over \$14,400</u>
17	<u>Over \$19,200 but</u>	<u>\$_____ plus _____ % of</u>
18	<u>not over \$24,000</u>	<u>_____ excess over \$19,200</u>
19	<u>Over \$24,000 but</u>	<u>\$_____ plus _____ % of</u>
20	<u>not over \$36,000</u>	<u>_____ excess over \$24,000</u>
21	<u>Over \$36,000 but</u>	<u>\$_____ plus _____ % of</u>



1	<u>not over \$48,000</u>	<u>excess over \$36,000</u>
2	<u>Over \$48,000 but</u>	\$ _____ plus % of
3	<u>not over \$150,000</u>	<u>excess over \$48,000</u>
4	<u>Over \$150,000 but</u>	\$ _____ plus % of
5	<u>not over \$175,000</u>	<u>excess over \$150,000</u>
6	<u>Over \$175,000 but</u>	\$ _____ plus % of
7	<u>not over \$200,000</u>	<u>excess over \$175,000</u>
8	<u>Over \$200,000</u>	\$ _____ plus % of
9		<u>excess over \$200,000."</u>

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2035, and  
12 shall apply to taxable years beginning after December 31, 2018.



**Report Title:**

Income Tax Rates

**Description:**

Changes income tax rates for taxable years beginning after  
12/31/2018. Effective 7/1/2035. (SD1)

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

