
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 Hawaii has the
2 highest cost of living in the nation. According to the United
3 States Census Bureau, Hawaii's domestic migration problem is
4 worsening, with 13,537 more persons moving away from Hawaii than
5 moving into the State during the 2016-2017 fiscal year. This
6 out-migration has more than doubled since 2014-2015, when Hawaii
7 saw a population loss of six thousand seven hundred persons.

8 Hawaii's high cost of living creates economic precarity for
9 working families. A survey conducted in 2018 highlighted that
10 nearly one-third of families in the State do not meet self-
11 sufficiency income levels. Moreover, the National Low Income
12 Housing Coalition's Out of Reach report for 2019 found that a
13 minimum wage worker in the Honolulu metropolitan statistical
14 area would need to work one hundred eleven hours per week to
15 afford a one-bedroom rental home at fair market rent and one
16 hundred forty-six hours per week to afford a two-bedroom rental
17 home at fair market rent.



1 The legislature further finds that Hawaii has one of the
2 highest individual income tax rates in the country. Under the
3 existing income tax rate, a single filer working an average of
4 forty hours a week at the minimum wage of \$10.10 per hour for
5 approximately fifty weeks, which equates to \$20,200 per year, is
6 required to pay \$1,008 plus 7.2 per cent of any taxable income
7 in excess of \$19,200. According to the United States Department
8 of Housing and Urban Development, a single person living on Oahu
9 is considered to be a low-income earner if they earn \$67,500 or
10 less a year and a person earning \$42,200 a year or less is
11 considered to be a very low-income earner. By that standard, an
12 individual earning minimum wage is now considered an extremely
13 low-income earner.

14 The purpose of this Act is to change the income tax rates
15 for taxable years beginning after December 31, 2020.

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

19 "(a) There is hereby imposed on the taxable income of
20 every:



1 (1) Taxpayer who files a joint return under section
2 235-93; and

3 (2) Surviving spouse,

4 a tax 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 \$4,000	1.40% of taxable income
9 Over \$4,000 but 10 not over \$8,000	\$56.00 plus 3.20% of excess over \$4,000
11 Over \$8,000 but 12 not over \$16,000	\$184.00 plus 5.50% of excess over \$8,000
13 Over \$16,000 but 14 not over \$24,000	\$624.00 plus 6.40% of excess over \$16,000
15 Over \$24,000 but 16 not over \$32,000	\$1,136.00 plus 6.80% of excess over \$24,000
17 Over \$32,000 but 18 not over \$40,000	\$1,680.00 plus 7.20% of excess over \$32,000
19 Over \$40,000 but 20 not over \$60,000	\$2,256.00 plus 7.60% of excess over \$40,000
21 Over \$60,000 but	\$3,776.00 plus 7.90% of



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

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 \$4,800	1.40% of taxable income
8	Over \$4,800 but	\$67.00 plus 3.20% of
9	not over \$9,600	excess over \$4,800
10	Over \$9,600 but	\$221.00 plus 5.50% of
11	not over \$19,200	excess over \$9,600
12	Over \$19,200 but	\$749.00 plus 6.40% of
13	not over \$28,800	excess over \$19,200
14	Over \$28,800 but	\$1,363.00 plus 6.80% of
15	not over \$38,400	excess over \$28,800
16	Over \$38,400 but	\$2,016.00 plus 7.20% of
17	not over \$48,000	excess over \$38,400
18	Over \$48,000 but	\$2,707.00 plus 7.60% of
19	not over \$72,000	excess over \$48,000
20	Over \$72,000 but	\$4,531.00 plus 7.90% of
21	not over \$96,000	excess over \$72,000



1 Over \$96,000 \$6,427.00 plus 8.25% of
2 excess over \$96,000.

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 \$4,800	1.40% of taxable income
7	Over \$4,800 but	\$67.00 plus 3.20% of
8	not over \$9,600	excess over \$4,800
9	Over \$9,600 but	\$221.00 plus 5.50% of
10	not over \$19,200	excess over \$9,600
11	Over \$19,200 but	\$749.00 plus 6.40% of
12	not over \$28,800	excess over \$19,200
13	Over \$28,800 but	\$1,363.00 plus 6.80% of
14	not over \$38,400	excess over \$28,800
15	Over \$38,400 but	\$2,016.00 plus 7.20% of
16	not over \$48,000	excess over \$38,400
17	Over \$48,000 but	\$2,707.00 plus 7.60% of
18	not over \$72,000	excess over \$48,000
19	Over \$72,000 but	\$4,531.00 plus 7.90% of
20	not over \$96,000	excess over \$72,000
21	Over \$96,000 but	\$6,427.00 plus 8.25% of



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

8 In case of any taxable year beginning after December 31,
9 2020:

10	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
11	<u>Not over \$12,000</u>	<u>0% of taxable income</u>
12	<u>Over \$12,000 but</u>	<u>\$0 plus 6.50% of</u>
13	<u>not over \$19,200</u>	<u>excess over \$12,000</u>
14	<u>Over \$19,200 but</u>	<u>\$468.00 plus 7.40% of</u>
15	<u>not over \$28,800</u>	<u>excess over \$19,200</u>
16	<u>Over \$28,800 but</u>	<u>\$1,178.00 plus 7.80% of</u>
17	<u>not over \$38,400</u>	<u>excess over \$28,800</u>
18	<u>Over \$38,400 but</u>	<u>\$1,927.00 plus 8.20% of</u>
19	<u>not over \$48,000</u>	<u>excess over \$38,400</u>
20	<u>Over \$48,000 but</u>	<u>\$2,714.00 plus 8.60% of</u>
21	<u>not over \$72,000</u>	<u>excess over \$48,000</u>



1	<u>Over \$72,000 but</u>	<u>\$4,778.00 plus 8.90% of</u>
2	<u>not over \$96,000</u>	<u>excess over \$72,000</u>
3	<u>Over \$96,000 but</u>	<u>\$6,914.00 plus 9.25% of</u>
4	<u>not over \$300,000</u>	<u>excess over \$96,000</u>
5	<u>Over \$300,000 but</u>	<u>\$25,784.00 plus 10.00% of</u>
6	<u>not over \$350,000</u>	<u>excess over \$300,000</u>
7	<u>Over \$350,000</u>	<u>\$30,784.00 plus 11.00% of</u>
8		<u>excess over \$350,000.</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



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, 2017:

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



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

15 In case of any taxable year beginning after December 31,

16 2020:

17	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
18	<u>Not over \$12,000</u>	<u>0% of taxable income</u>
19	<u>Over \$12,000 but</u>	<u>\$0 plus 6.50% of</u>
20	<u>not over \$14,400</u>	<u>excess over \$12,000</u>
21	<u>Over \$14,400 but</u>	<u>\$156.00 plus 7.40% of</u>



1	<u>not over \$21,600</u>	<u>excess over \$14,400</u>
2	<u>Over \$21,600 but</u>	<u>\$689.00 plus 7.80% of</u>
3	<u>not over \$28,800</u>	<u>excess over \$21,600</u>
4	<u>Over \$28,800 but</u>	<u>\$1,251.00 plus 8.20% of</u>
5	<u>not over \$36,000</u>	<u>excess over \$28,800</u>
6	<u>Over \$36,000 but</u>	<u>\$1,841.00 plus 8.60% of</u>
7	<u>not over \$54,000</u>	<u>excess over \$36,000</u>
8	<u>Over \$54,000 but</u>	<u>\$3,389.00 plus 8.90% of</u>
9	<u>not over \$72,000</u>	<u>excess over \$54,000</u>
10	<u>Over \$72,000 but</u>	<u>\$4,991.00 plus 9.25% of</u>
11	<u>not over \$225,000</u>	<u>excess over \$72,000</u>
12	<u>Over \$225,000 but</u>	<u>\$19,144.00 plus 10.00% of</u>
13	<u>not over \$262,500</u>	<u>excess over \$225,000</u>
14	<u>Over \$262,500</u>	<u>\$22,894.00 plus 11.00% of</u>
15		<u>excess over \$262,500.</u>

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



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.



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.



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

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 but	\$3,214.00 plus 8.25% of
20	not over \$150,000	excess over \$48,000
21	Over \$150,000 but	\$11,629.00 plus 9.00% of



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

6 In case of any taxable year beginning after December 31,
 7 2020:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
8 <u>Not over \$12,000</u>	<u>0% of taxable income</u>
9 <u>Over \$12,000 but</u>	<u>\$0 plus 7.40% of</u>
10 <u>not over \$14,400</u>	<u>excess over \$12,000</u>
11 <u>Over \$14,400 but</u>	<u>\$178.00 plus 7.80% of</u>
12 <u>not over \$19,200</u>	<u>excess over \$14,400</u>
13 <u>Over \$19,200 but</u>	<u>\$552.00 plus 8.20% of</u>
14 <u>not over \$24,000</u>	<u>excess over \$19,200</u>
15 <u>Over \$24,000 but</u>	<u>\$946.00 plus 8.60% of</u>
16 <u>not over \$36,000</u>	<u>excess over \$24,000</u>
17 <u>Over \$36,000 but</u>	<u>\$1,978.00 plus 8.90% of</u>
18 <u>not over \$48,000</u>	<u>excess over \$36,000</u>
19 <u>Over \$48,000 but</u>	<u>\$3,046.00 plus 9.25% of</u>
20 <u>not over \$150,000</u>	<u>excess over \$48,000</u>



1 Over \$150,000 but \$12,481.00 plus 10.00% of
2 not over \$175,000 excess over \$150,000
3 Over \$175,000 \$14,981.00 plus 11.00% of
4 excess over \$175,000."

5 SECTION 3. New statutory material is underscored.

6 SECTION 4. This Act shall take effect on July 1, 2050, and
7 shall apply to taxable years beginning after December 31, 2020.



Report Title:

Income Tax Rates

Description:

Changes the income tax rates for taxable years beginning after 12/31/2020. Effective 7/1/2050. (SD1)

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

