
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 taxpayers
2 have one of the highest aggregate tax burdens in the United
3 States. After combining local, state, and federal taxes,
4 Hawaii's citizens pay one of the highest proportions of their
5 earnings in taxes in the entire country. After top income tax
6 rates increase again in 2018, Hawaii will have the second
7 highest state income tax rate in the nation. Expert consensus
8 indicates that high taxes on personal income are harmful to
9 economic growth. The best way to ensure that Hawaii's economy
10 continues to grow and remains affordable for Hawaii's families
11 is to lower state income taxes for all income levels.

12 Further, tax increases are not needed to maintain state
13 revenue. According to the Hawaii Department of Taxation,
14 Hawaii's income tax revenue has been steadily rising every year
15 since the 2008 recession. This increase is consistent even with
16 a top tax rate of 8.25 per cent. Hawaii will improve the lives
17 of working class families by keeping income tax rates low.



The purpose of this Act is to decrease by 25 per cent the income tax rates for all but the top income earners and reduce the top income tax rate to 8.25 per cent.

SECTION 2. Section 235-51, Hawaii Revised Statutes, is amended to read as follows:

§235-51 Tax imposed on individuals; rates. (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, 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



1	Over \$24,000 but	\$1,136.00 plus 6.80% of
2	not over \$32,000	excess over \$24,000
3	Over \$32,000 but	\$1,680.00 plus 7.20% of
4	not over \$40,000	excess over \$32,000
5	Over \$40,000 but	\$2,256.00 plus 7.60% of
6	not over \$60,000	excess over \$40,000
7	Over \$60,000 but	\$3,776.00 plus 7.90% of
8	not over \$80,000	excess over \$60,000
9	Over \$80,000	\$5,356.00 plus 8.25% of
10		excess over \$80,000.

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

13	If the taxable income is:	The tax shall be:
14	Not over \$4,800	1.40% of taxable income
15	Over \$4,800 but	\$67.00 plus 3.20% of
16	not over \$9,600	excess over \$4,800
17	Over \$9,600 but	\$221.00 plus 5.50% of
18	not over \$19,200	excess over \$9,600
19	Over \$19,200 but	\$749.00 plus 6.40% of
20	not over \$28,800	excess over \$19,200
21	Over \$28,800 but	\$1,363.00 plus 6.80% of



1	not over \$38,400	excess over \$28,800
2	Over \$38,400 but	\$2,016.00 plus 7.20% of
3	not over \$48,000	excess over \$38,400
4	Over \$48,000 but	\$2,707.00 plus 7.60% of
5	not over \$72,000	excess over \$48,000
6	Over \$72,000 but	\$4,531.00 plus 7.90% of
7	not over \$96,000	excess over \$72,000
8	Over \$96,000	\$6,427.00 plus 8.25% of
9		excess over \$96,000.
10	In the case of any taxable year beginning after December	
11	31, 2017:	
12	If the taxable income is:	The tax shall be:
13	Not over \$4,800	1.40% of taxable income
14	Over \$4,800 but	\$67.00 plus 3.20% of
15	not over \$9,600	excess over \$4,800
16	Over \$9,600 but	\$221.00 plus 5.50% of
17	not over \$19,200	excess over \$9,600
18	Over \$19,200 but	\$749.00 plus 6.40% of
19	not over \$28,800	excess over \$19,200
20	Over \$28,800 but	\$1,363.00 plus 6.80% of
21	not over \$38,400	excess over \$28,800



1	Over \$38,400 but	\$2,016.00 plus 7.20% of
2	not over \$48,000	excess over \$38,400
3	Over \$48,000 but	\$2,707.00 plus 7.60% of
4	not over \$72,000	excess over \$48,000
5	Over \$72,000 but	\$4,531.00 plus 7.90% of
6	not over \$96,000	excess over \$72,000
7	Over \$96,000 but	\$6,427.00 plus 8.25% of
8	not over \$300,000	excess over \$96,000
9	Over \$300,000 but	\$23,257.00 plus 9.00% of
10	not over \$350,000	excess over \$300,000
11	Over \$350,000 but	\$27,757.00 plus 10.00% of
12	not over \$400,000	excess over \$350,000
13	Over \$400,000	\$32,757.00 plus 11.00% of
14		excess over \$400,000.

15 In the case of any taxable year beginning after December
 16 31, 2018:

17	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
18	<u>Not over \$4,800</u>	<u>1.05% of taxable income</u>
19	<u>Over \$4,800 but</u>	<u>\$67.00 plus 2.40% of</u>
20	<u>not over \$9,600</u>	<u>excess over \$4,800</u>
21	<u>Over \$9,600 but</u>	<u>\$221.00 plus 4.12% of</u>



1	<u>not over \$19,200</u>	<u>excess over \$9,600</u>
2	<u>Over \$19,200 but</u>	<u>\$749.00 plus 4.80% of</u>
3	<u>not over \$28,800</u>	<u>excess over \$19,200</u>
4	<u>Over \$28,800 but</u>	<u>\$1,363.00 plus 5.10% of</u>
5	<u>not over \$38,400</u>	<u>excess over \$28,800</u>
6	<u>Over \$38,400 but</u>	<u>\$2,016.00 plus 5.40% of</u>
7	<u>not over \$48,000</u>	<u>excess over \$38,400</u>
8	<u>Over \$48,000 but</u>	<u>\$2,707.00 plus 5.70% of</u>
9	<u>not over \$72,000</u>	<u>excess over \$48,000</u>
10	<u>Over \$72,000 but</u>	<u>\$4,531.00 plus 5.92% of</u>
11	<u>not over \$96,000</u>	<u>excess over \$72,000</u>
12	<u>Over \$96,000</u>	<u>\$6,427.00 plus 8.25% of</u>
13		<u>excess over \$96,000.</u>

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

17 In the case of any taxable year beginning after December
 18 31, 2001:

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



1	not over \$6,000	excess over \$3,000
2	Over \$6,000 but	\$138.00 plus 5.50% of
3	not over \$12,000	excess over \$6,000
4	Over \$12,000 but	\$468.00 plus 6.40% of
5	not over \$18,000	excess over \$12,000
6	Over \$18,000 but	\$852.00 plus 6.80% of
7	not over \$24,000	excess over \$18,000
8	Over \$24,000 but	\$1,260.00 plus 7.20% of
9	not over \$30,000	excess over \$24,000
10	Over \$30,000 but	\$1,692.00 plus 7.60% of
11	not over \$45,000	excess over \$30,000
12	Over \$45,000 but	\$2,832.00 plus 7.90% of
13	not over \$60,000	excess over \$45,000
14	Over \$60,000	\$4,017.00 plus 8.25% of
15		excess over \$60,000.

16 In the case of any taxable year beginning after December
 17 31, 2006:

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



1	Over \$7,200 but	\$166.00 plus 5.50% of
2	not over \$14,400	excess over \$7,200
3	Over \$14,400 but	\$562.00 plus 6.40% of
4	not over \$21,600	excess over \$14,400
5	Over \$21,600 but	\$1,022.00 plus 6.80% of
6	not over \$28,800	excess over \$21,600
7	Over \$28,800 but	\$1,512.00 plus 7.20% of
8	not over \$36,000	excess over \$28,800
9	Over \$36,000 but	\$2,030.00 plus 7.60% of
10	not over \$54,000	excess over \$36,000
11	Over \$54,000 but	\$3,398.00 plus 7.90% of
12	not over \$72,000	excess over \$54,000
13	Over \$72,000	\$4,820.00 plus 8.25% of
14		excess over \$72,000.

15 In the case of any taxable year beginning after December
 16 31, 2017:

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



1	not over \$14,400	excess over \$7,200
2	Over \$14,400 but	\$562.00 plus 6.40% of
3	not over \$21,600	excess over \$14,400
4	Over \$21,600 but	\$1,022.00 plus 6.80% of
5	not over \$28,800	excess over \$21,600
6	Over \$28,800 but	\$1,512.00 plus 7.20% of
7	not over \$36,000	excess over \$28,800
8	Over \$36,000 but	\$2,030.00 plus 7.60% of
9	not over \$54,000	excess over \$36,000
10	Over \$54,000 but	\$3,398.00 plus 7.90% of
11	not over \$72,000	excess over \$54,000
12	Over \$72,000 but	\$4,820.00 plus 8.25% of
13	not over \$225,000	excess over \$72,000
14	Over \$225,000 but	\$17,443.00 plus 9.00% of
15	not over \$262,500	excess over \$225,000
16	Over \$262,500 but	\$20,818.00 plus 10.00% of
17	not over \$300,000	excess over \$262,500
18	Over \$300,000	\$24,568.00 plus 11.00% of
19		excess over \$300,000.

20 In the case of any taxable year beginning after December
 21 31, 2018:



1	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
2	<u>Not over \$3,600</u>	<u>1.05% of taxable income</u>
3	<u>Over \$3,600 but</u>	<u>\$50.00 plus 2.40% of</u>
4	<u>not over \$7,200</u>	<u>excess over \$3,600</u>
5	<u>Over \$7,200 but</u>	<u>\$166.00 plus 4.12% of</u>
6	<u>not over \$14,400</u>	<u>excess over \$7,200</u>
7	<u>Over \$14,400 but</u>	<u>\$562.00 plus 4.80% of</u>
8	<u>not over \$21,600</u>	<u>excess over \$14,400</u>
9	<u>Over \$21,600 but</u>	<u>\$1,022.00 plus 5.10% of</u>
10	<u>not over \$28,800</u>	<u>excess over \$21,600</u>
11	<u>Over \$28,800 but</u>	<u>\$1,512.00 plus 5.40% of</u>
12	<u>not over \$36,000</u>	<u>excess over \$28,800</u>
13	<u>Over \$36,000 but</u>	<u>\$2,030.00 plus 5.70% of</u>
14	<u>not over \$54,000</u>	<u>excess over \$36,000</u>
15	<u>Over \$54,000 but</u>	<u>\$3,398.00 plus 5.92% of</u>
16	<u>not over \$72,000</u>	<u>excess over \$54,000</u>
17	<u>Over \$72,000</u>	<u>\$4,820.00 plus 8.25% of</u>
18		<u>excess over \$72,000.</u>

19 (c) There is hereby imposed on the taxable income of (1)
 20 every unmarried individual (other than a surviving spouse, or
 21 the head of a household) and (2) on the taxable income of every



1 married individual who does not make a single return jointly
 2 with the individual's spouse under section 235-93 a tax
 3 determined in accordance with the following table:

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

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



1 Over \$40,000 \$2,678.00 plus 8.25% of
2 excess over \$40,000.

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

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	\$34.00 plus 3.20% of
8	not over \$4,800	excess over \$2,400
9	Over \$4,800 but	\$110.00 plus 5.50% of
10	not over \$9,600	excess over \$4,800
11	Over \$9,600 but	\$374.00 plus 6.40% of
12	not over \$14,400	excess over \$9,600
13	Over \$14,400 but	\$682.00 plus 6.80% of
14	not over \$19,200	excess over \$14,400
15	Over \$19,200 but	\$1,008.00 plus 7.20% of
16	not over \$24,000	excess over \$19,200
17	Over \$24,000 but	\$1,354.00 plus 7.60% of
18	not over \$36,000	excess over \$24,000
19	Over \$36,000 but	\$2,266.00 plus 7.90% of
20	not over \$48,000	excess over \$36,000
21	Over \$48,000	\$3,214.00 plus 8.25% of



1 excess over \$48,000.

2 In the case of any taxable year beginning after December

3 31, 2017:

4	If the taxable income is:	The tax shall be:
5	Not over \$2,400	1.40% of taxable income
6	Over \$2,400 but	\$34.00 plus 3.20% of
7	not over \$4,800	excess over \$2,400
8	Over \$4,800 but	\$110.00 plus 5.50% of
9	not over \$9,600	excess over \$4,800
10	Over \$9,600 but	\$374.00 plus 6.40% of
11	not over \$14,400	excess over \$9,600
12	Over \$14,400 but	\$682.00 plus 6.80% of
13	not over \$19,200	excess over \$14,400
14	Over \$19,200 but	\$1,008.00 plus 7.20% of
15	not over \$24,000	excess over \$19,200
16	Over \$24,000 but	\$1,354.00 plus 7.60% of
17	not over \$36,000	excess over \$24,000
18	Over \$36,000 but	\$2,266.00 plus 7.90% of
19	not over \$48,000	excess over \$36,000
20	Over \$48,000 but	\$3,214.00 plus 8.25% of
21	not over \$150,000	excess over \$48,000



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

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

9	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
10	<u>Not over \$2,400</u>	<u>1.05% of taxable income</u>
11	<u>Over \$2,400 but</u>	<u>\$34.00 plus 2.40% of</u>
12	<u>not over \$4,800</u>	<u>excess over \$2,400</u>
13	<u>Over \$4,800 but</u>	<u>\$110.00 plus 4.12% of</u>
14	<u>not over \$9,600</u>	<u>excess over \$4,800</u>
15	<u>Over \$9,600 but</u>	<u>\$374.00 plus 4.80% of</u>
16	<u>not over \$14,400</u>	<u>excess over \$9,600</u>
17	<u>Over \$14,400 but</u>	<u>\$682.00 plus 5.10% of</u>
18	<u>not over \$19,200</u>	<u>excess over \$14,400</u>
19	<u>Over \$19,200 but</u>	<u>\$1,008.00 plus 5.40% of</u>
20	<u>not over \$24,000</u>	<u>excess over \$19,200</u>
21	<u>Over \$24,000 but</u>	<u>\$1,354.00 plus 5.70% of</u>



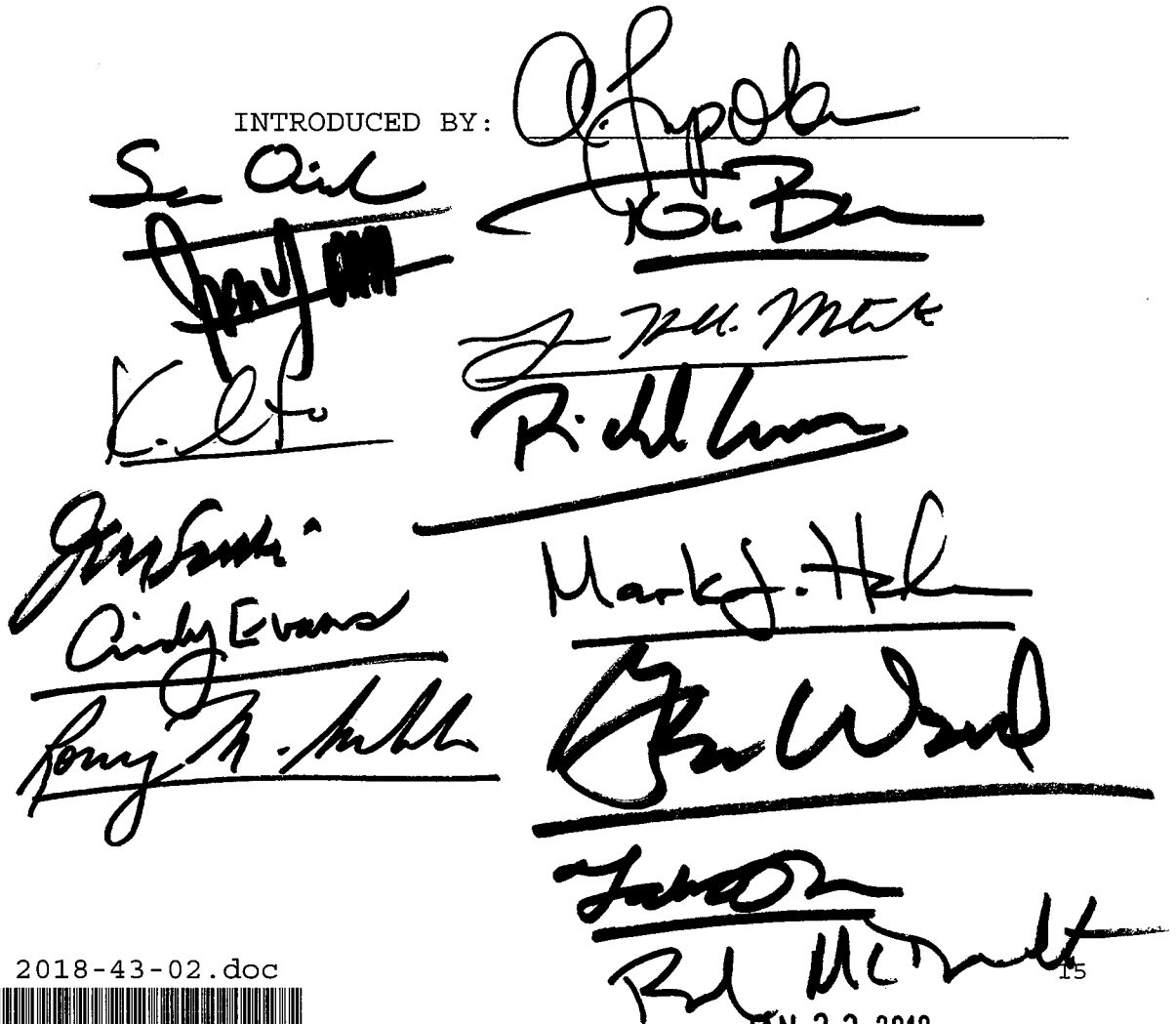
H.B. NO. 2486

1	<u>not over \$36,000</u>	<u>excess over \$24,000</u>
2	<u>Over \$36,000 but</u>	<u>\$2,266.00 plus 5.92% of</u>
3	<u>not over \$48,000</u>	<u>excess over \$36,000</u>
4	<u>Over \$48,000</u>	<u>\$3,214.00 plus 8.25% of</u>
5		<u>excess over \$48,000.</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, 2018.
9
10

INTRODUCED BY:



 San Air
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H.B. NO. 2486

Report Title:

Taxation; Income Tax Rates.

Description:

Decreases the income tax by twenty-five per cent for all but the top income earners and sets the top tax rate to 8.25 percent.

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

