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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 PART I

2 SECTION 1. Section 235-51, Hawaii Revised Statutes, is  
3 amended by amending subsections (a) through (d) to read as  
4 follows:

5 "(a) There is hereby imposed on the taxable income of  
6 every:

7 (1) Taxpayer who files a joint return under section  
8 235-93; and

9 (2) Surviving spouse,  
10 a tax determined in accordance with the following table:

11 In the case of any taxable year beginning after  
12 December 31, 2017:

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



1	not over \$19,200	excess over \$9,600
2	Over \$19,200 but	\$749.00 plus 6.40% of
3	not over \$28,800	excess over \$19,200
4	Over \$28,800 but	\$1,363.00 plus 6.80% of
5	not over \$38,400	excess over \$28,800
6	Over \$38,400 but	\$2,016.00 plus 7.20% of
7	not over \$48,000	excess over \$38,400
8	Over \$48,000 but	\$2,707.00 plus 7.60% of
9	not over \$72,000	excess over \$48,000
10	Over \$72,000 but	\$4,531.00 plus 7.90% of
11	not over \$96,000	excess over \$72,000
12	Over \$96,000 but	\$6,427.00 plus 8.25% of
13	not over \$300,000	excess over \$96,000
14	Over \$300,000 but	\$23,257.00 plus 9.00% of
15	not over \$350,000	excess over \$300,000
16	Over \$350,000 but	\$27,757.00 plus 10.00% of
17	not over \$400,000	excess over \$350,000
18	Over \$400,000	\$32,757.00 plus 11.00% of
19		excess over \$400,000.

20 In the case of any taxable year beginning after

21 December 31, 2021:



1	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
2	<u>Not over \$4,800</u>	<u>1.40% of taxable income</u>
3	<u>Over \$4,800 but</u>	<u>\$67.00 plus 3.20% of</u>
4	<u>not over \$9,600</u>	<u>excess over \$4,800</u>
5	<u>Over \$9,600 but</u>	<u>\$221.00 plus 5.50% of</u>
6	<u>not over \$19,200</u>	<u>excess over \$9,600</u>
7	<u>Over \$19,200 but</u>	<u>\$749.00 plus 6.40% of</u>
8	<u>not over \$28,800</u>	<u>excess over \$19,200</u>
9	<u>Over \$28,800 but</u>	<u>\$1,363.00 plus 6.80% of</u>
10	<u>not over \$38,400</u>	<u>excess over \$28,800</u>
11	<u>Over \$38,400 but</u>	<u>\$2,016.00 plus 7.20% of</u>
12	<u>not over \$48,000</u>	<u>excess over \$38,400</u>
13	<u>Over \$48,000 but</u>	<u>\$2,707.00 plus 7.60% of</u>
14	<u>not over \$72,000</u>	<u>excess over \$48,000</u>
15	<u>Over \$72,000 but</u>	<u>\$4,531.00 plus 7.90% of</u>
16	<u>not over \$96,000</u>	<u>excess over \$72,000</u>
17	<u>Over \$96,000 but</u>	<u>\$6,427.00 plus 8.25% of</u>
18	<u>not over \$300,000</u>	<u>excess over \$96,000</u>
19	<u>Over \$300,000 but</u>	<u>\$23,257.00 plus 9.00% of</u>
20	<u>not over \$350,000</u>	<u>excess over \$300,000</u>
21	<u>Over \$350,000 but</u>	<u>\$27,757.00 plus 10.00% of</u>



1	<u>not over \$400,000</u>	<u>excess over \$350,000</u>
2	<u>Over \$400,000 but</u>	<u>\$32,757.00 plus 11.00% of</u>
3	<u>not over \$10,000,000</u>	<u>excess over \$400,000</u>
4	<u>Over \$10,000,000 but</u>	<u>\$816,568.00 plus 16.00%</u>
5	<u>not over \$25,000,000</u>	<u>of excess over</u>
6		<u>\$10,000,000</u>
7	<u>Over \$25,000,000</u>	<u>\$2,616,568.00 plus</u>
8		<u>19.00% of excess over</u>
9		<u>\$25,000,000.</u>

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

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 December 31,

19 2021:

20	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
21	<u>Not over \$3,600</u>	<u>1.40% of taxable income</u>



1	<u>Over \$3,600 but</u>	<u>\$50.00 plus 3.20% of</u>
2	<u>not over \$7,200</u>	<u>excess over \$3,600</u>
3	<u>Over \$7,200 but</u>	<u>\$166.00 plus 5.50% of</u>
4	<u>not over \$14,400</u>	<u>excess over \$7,200</u>
5	<u>Over \$14,400 but</u>	<u>\$562.00 plus 6.40% of</u>
6	<u>not over \$21,600</u>	<u>excess over \$14,400</u>
7	<u>Over \$21,600 but</u>	<u>\$1,022.00 plus 6.80% of</u>
8	<u>not over \$28,800</u>	<u>excess over \$21,600</u>
9	<u>Over \$28,800 but</u>	<u>\$1,512.00 plus 7.20% of</u>
10	<u>not over \$36,000</u>	<u>excess over \$28,800</u>
11	<u>Over \$36,000 but</u>	<u>\$2,030.00 plus 7.60% of</u>
12	<u>not over \$54,000</u>	<u>excess over \$36,000</u>
13	<u>Over \$54,000 but</u>	<u>\$3,398.00 plus 7.90% of</u>
14	<u>not over \$72,000</u>	<u>excess over \$54,000</u>
15	<u>Over \$72,000 but</u>	<u>\$4,820.00 plus 8.25% of</u>
16	<u>not over \$225,000</u>	<u>excess over \$72,000</u>
17	<u>Over \$225,000 but</u>	<u>\$17,443.00 plus 9.00% of</u>
18	<u>not over \$262,500</u>	<u>excess over \$225,000</u>
19	<u>Over \$262,500 but</u>	<u>\$20,818.00 plus 10.00% of</u>
20	<u>not over \$300,000</u>	<u>excess over \$262,500</u>
21	<u>Over \$300,000 but</u>	<u>\$24,568.00 plus 11.00% of</u>



1	<u>not over \$7,500,000</u>	<u>excess over \$300,000</u>
2	<u>Over \$7,500,000 but</u>	<u>\$816,568.00 plus 16.00%</u>
3	<u>not over \$18,750,000</u>	<u>of excess over</u>
4		<u>\$7,500,000</u>
5	<u>Over \$18,750,000</u>	<u>\$2,616,568.00 plus</u>
6		<u>19.00% of excess over</u>
7		<u>\$18,750,000.</u>

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

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

16	If the taxable income is:	The tax shall be:
17	Not over \$2,400	1.40% of taxable income
18	Over \$2,400 but	\$34.00 plus 3.20% of
19	not over \$4,800	excess over \$2,400
20	Over \$4,800 but	\$110.00 plus 5.50% of
21	not over \$9,600	excess over \$4,800



1	Over \$9,600 but	\$374.00 plus 6.40% of
2	not over \$14,400	excess over \$9,600
3	Over \$14,400 but	\$682.00 plus 6.80% of
4	not over \$19,200	excess over \$14,400
5	Over \$19,200 but	\$1,008.00 plus 7.20% of
6	not over \$24,000	excess over \$19,200
7	Over \$24,000 but	\$1,354.00 plus 7.60% of
8	not over \$36,000	excess over \$24,000
9	Over \$36,000 but	\$2,266.00 plus 7.90% of
10	not over \$48,000	excess over \$36,000
11	Over \$48,000 but	\$3,214.00 plus 8.25% of
12	not over \$150,000	excess over \$48,000
13	Over \$150,000 but	\$11,629.00 plus 9.00% of
14	not over \$175,000	excess over \$150,000
15	Over \$175,000 but	\$13,879.00 plus 10.00% of
16	not over \$200,000	excess over \$175,000
17	Over \$200,000	\$16,379.00 plus 11.00% of
18		excess over \$200,000.

19 In the case of any taxable year beginning after  
 20 December 31, 2021:

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





1	<u>Not over \$2,400</u>	<u>1.40% of taxable income</u>
2	<u>Over \$2,400 but</u>	<u>\$34.00 plus 3.20% of</u>
3	<u>not over \$4,800</u>	<u>excess over \$2,400</u>
4	<u>Over \$4,800 but</u>	<u>\$110.00 plus 5.50% of</u>
5	<u>not over \$9,600</u>	<u>excess over \$4,800</u>
6	<u>Over \$9,600 but</u>	<u>\$374.00 plus 6.40% of</u>
7	<u>not over \$14,400</u>	<u>excess over \$9,600</u>
8	<u>Over \$14,400 but</u>	<u>\$682.00 plus 6.80% of</u>
9	<u>not over \$19,200</u>	<u>excess over \$14,400</u>
10	<u>Over \$19,200 but</u>	<u>\$1,008.00 plus 7.20% of</u>
11	<u>not over \$24,000</u>	<u>excess over \$19,200</u>
12	<u>Over \$24,000 but</u>	<u>\$1,354.00 plus 7.60% of</u>
13	<u>not over \$36,000</u>	<u>excess over \$24,000</u>
14	<u>Over \$36,000 but</u>	<u>\$2,266.00 plus 7.90% of</u>
15	<u>not over \$48,000</u>	<u>excess over \$36,000</u>
16	<u>Over \$48,000 but</u>	<u>\$3,214.00 plus 8.25% of</u>
17	<u>not over \$150,000</u>	<u>excess over \$48,000</u>
18	<u>Over \$150,000 but</u>	<u>\$11,629.00 plus 9.00% of</u>
19	<u>not over \$175,000</u>	<u>excess over \$150,000</u>
20	<u>Over \$175,000 but</u>	<u>\$13,879.00 plus 10.00% of</u>
21	<u>not over \$200,000</u>	<u>excess over \$175,000</u>



1	<u>Over \$200,000 but</u>	<u>\$16,379.00 plus 11.00% of</u>
2	<u>not over \$5,000,000</u>	<u>excess over \$200,000</u>
3	<u>Over \$5,000,000 but</u>	<u>\$544,379.00 plus 16.00%</u>
4	<u>not over \$12,500,000</u>	<u>of excess over</u>
5		<u>\$5,000,000</u>
6	<u>Over \$12,500,000</u>	<u>\$1,744.379.00 plus</u>
7		<u>19.00% of excess over</u>
8		<u>\$12,500.000.</u>
9	(d) The tax imposed by section 235-2.45 on estates and	
10	trusts shall be determined in accordance with the following	
11	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 \$2,000	1.40% of taxable income
16	Over \$2,000 but	\$28.00 plus 3.20% of
17	not over \$4,000	excess over \$2,000
18	Over \$4,000 but	\$92.00 plus 5.50% of
19	not over \$8,000	excess over \$4,000
20	Over \$8,000 but	\$312.00 plus 6.40% of
21	not over \$12,000	excess over \$8,000



1	Over \$12,000 but	\$568.00 plus 6.80% of
2	not over \$16,000	excess over \$12,000
3	Over \$16,000 but	\$840.00 plus 7.20% of
4	not over \$20,000	excess over \$16,000
5	Over \$20,000 but	\$1,128.00 plus 7.60% of
6	not over \$30,000	excess over \$20,000
7	Over \$30,000 but	\$1,888.00 plus 7.90% of
8	not over \$40,000	excess over \$30,000
9	Over \$40,000	\$2,678.00 plus 8.25% of
10		excess over \$40,000.

11 In the case of any taxable year beginning after  
 12 December 31, 2021:

13	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
14	<u>Not over \$2,000</u>	<u>1.40% of taxable income</u>
15	<u>Over \$2,000 but</u>	<u>\$28.00 plus 3.20% of</u>
16	<u>not over \$4,000</u>	<u>excess over \$2,000</u>
17	<u>Over \$4,000 but</u>	<u>\$92.00 plus 5.50% of</u>
18	<u>not over \$8,000</u>	<u>excess over \$4,000</u>
19	<u>Over \$8,000 but</u>	<u>\$312.00 plus 6.40% of</u>
20	<u>not over \$12,000</u>	<u>excess over \$8,000</u>
21	<u>Over \$12,000 but</u>	<u>\$568.00 plus 6.80% of</u>



1	<u>not over \$16,000</u>	<u>excess over \$12,000</u>
2	<u>Over \$16,000 but</u>	<u>\$840.00 plus 7.20% of</u>
3	<u>not over \$20,000</u>	<u>excess over \$16,000</u>
4	<u>Over \$20,000 but</u>	<u>\$1,128.00 plus 7.60% of</u>
5	<u>not over \$30,000</u>	<u>excess over \$20,000</u>
6	<u>Over \$30,000 but</u>	<u>\$1,888.00 plus 7.90% of</u>
7	<u>not over \$40,000</u>	<u>excess over \$30,000</u>
8	<u>Over \$40,000 but</u>	<u>\$2,678.00 plus 8.25% of</u>
9	<u>not over \$200,000</u>	<u>excess over \$40,000</u>
10	<u>Over \$200,000 but</u>	<u>\$134,678.00 plus 13.25%</u>
11	<u>not over \$500,000</u>	<u>excess over \$200,000</u>
12	<u>Over \$500,000</u>	<u>\$174,428.00 plus 16.25%</u>
13		<u>of excess over</u>
14		<u>\$500,000."</u>

15 PART II

16 SECTION 2. (a) There is established within the department  
 17 of taxation for administrative purposes only a wealth tax  
 18 working group. The working group shall develop a proposal to  
 19 establish a state wealth tax.

20 (b) The wealth tax working group shall comprise the  
 21 following:



(1) The director of taxation or the director's designee,  
who shall serve as chairperson of the working group;  
and

(2) The chairperson of the council on revenues or the  
chairperson's designee.

(c) In addition to the members designated by subsection  
(b), the working group may invite any other appropriate person  
to join the working group.

(d) The initial meeting of the working group shall take  
place no later than sixty days after the effective date of this  
Act and shall be convened by the director of taxation or the  
director's designee.

(e) Members of the working group shall serve without  
compensation. No member of the working group shall be subject  
to section 84-17, Hawaii Revised Statutes, solely because of  
that member's participation on the working group.

(f) As part of its proposal the working group shall  
develop:

(1) A procedure for imposing a wealth tax on individuals  
having assets of more than \$10,000,000;

(2) An appropriate wealth tax rate; and



1 (3) Revenue projections for the wealth tax.

2 (g) The department of taxation shall provide  
3 administrative and clerical support as required by the working  
4 group.

5 (h) The working group shall submit a report of its  
6 findings and recommendations, including any proposed  
7 legislation, to the legislature no later than twenty days prior  
8 to the convening of the regular session of 2023.

9 (i) The working group shall cease to exist on June 30,  
10 2023.

11 PART III

12 SECTION 3. New statutory material is underscored.

13 SECTION 4. This Act shall take effect on July 30, 2075.



**Report Title:**

Income Tax; High-Income Individuals, Wealth Tax; Working Group

**Description:**

Establishes two additional marginal tax rates for joint filers whose income exceeds \$10,000,000 and \$25,000,000, head of households whose income exceeds \$7,500,000 and \$18,750,000, individuals whose income exceeds \$5,000,000 and \$12,500,000, and estates and trusts that have income exceeding \$200,000 and \$500,000, respectively. Establishes a working group within the Department of Taxation to develop a proposal for a state wealth tax. Takes effect on 7/30/2075. (SD1)

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

