
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 235-2.4, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Section 63 (with respect to taxable income defined)
4 of the Internal Revenue Code shall be operative for the purposes
5 of this chapter, subject to the following:

6 (1) Section 63(c)(1)(B) (relating to the additional
7 standard deduction), 63(c)(1)(C) (relating to the real
8 property tax deduction), 63(c)(1)(D) (relating to the
9 disaster loss deduction), 63(c)(1)(E) (relating to the
10 motor vehicle sales tax deduction), 63(c)(4) (relating
11 to inflation adjustments), 63(c)(7) (defining the real
12 property tax deduction), 63(c)(8) (defining the
13 disaster loss deduction), 63(c)(9) (defining the motor
14 vehicle sales tax deduction), and 63(f) (relating to
15 additional amounts for the aged or blind) of the
16 Internal Revenue Code shall not be operative for
17 purposes of this chapter;



1 (2) Section 63(c)(2) (relating to the basic standard
2 deduction) of the Internal Revenue Code shall be
3 operative, except that the standard deduction amounts
4 provided therein shall instead mean:

5 (A) \$4,400 in the case of:

6 (i) A joint return as provided by section 235-
7 93; or

8 (ii) A surviving spouse (as defined in section
9 2(a) of the Internal Revenue Code);

10 (B) \$3,212 in the case of a head of household (as
11 defined in section 2(b) of the Internal Revenue
12 Code);

13 (C) \$2,200 in the case of an individual who is not
14 married and who is not a surviving spouse or head
15 of household; [~~or~~]

16 (D) \$2,200 in the case of a married individual filing
17 a separate return;

18 (E) For taxable years beginning after December 31,
19 2026, the standard deduction amounts provided
20 therein shall instead mean:



- 1 (i) \$10,000 in the case of a joint return as
- 2 provided by section 235-93 or a surviving
- 3 spouse (as defined in section 2(a) of the
- 4 Internal Revenue Code);
- 5 (ii) \$7,500 in the case of a head of household
- 6 (as defined in section 2(b) of the Internal
- 7 Revenue Code);
- 8 (iii) \$5,000 in the case of an individual who is
- 9 not married and who is not a surviving
- 10 spouse or head of household; or
- 11 (iv) \$5,000 in the case of a married individual
- 12 filing a separate return;
- 13 (F) For taxable years beginning after December 31,
- 14 2028, the standard deduction amounts provided
- 15 therein shall instead mean:
- 16 (i) \$16,000 in the case of a joint return as
- 17 provided by section 235-93 or a surviving
- 18 spouse (as defined in section 2(a) of the
- 19 Internal Revenue Code);

- 1 (ii) \$12,000 in the case of a head of household
2 (as defined in section 2(b) of the Internal
3 Revenue Code);
- 4 (iii) \$8,000 in the case of an individual who is
5 not married and who is not a surviving
6 spouse or head of household; or
- 7 (iv) \$8,000 in the case of a married individual
8 filing a separate return;
- 9 (G) For taxable years beginning after December 31,
10 2030, the standard deduction amounts provided
11 therein shall instead mean:
- 12 (i) \$18,000 in the case of a joint return as
13 provided by section 235-93 or a surviving
14 spouse (as defined in section 2(a) of the
15 Internal Revenue Code);
- 16 (ii) \$13,500 in the case of a head of household
17 (as defined in section 2(b) of the Internal
18 Revenue Code);
- 19 (iii) \$9,000 in the case of an individual who is
20 not married and who is not a surviving
21 spouse or head of household; or



- 1 (iv) \$9,000 in the case of a married individual
- 2 filing a separate return;
- 3 (H) For taxable years beginning after December 31,
- 4 2032, the standard deduction amounts provided
- 5 therein shall instead mean:
- 6 (i) \$20,000 in the case of a joint return as
- 7 provided by section 235-93 or a surviving
- 8 spouse (as defined in section 2(a) of the
- 9 Internal Revenue Code);
- 10 (ii) \$15,000 in the case of a head of household
- 11 (as defined in section 2(b) of the Internal
- 12 Revenue Code);
- 13 (iii) \$10,000 in the case of an individual who is
- 14 not married and who is not a surviving
- 15 spouse or head of household; or
- 16 (iv) \$10,000 in the case of a married individual
- 17 filing a separate return; and
- 18 (I) For taxable years beginning after December 31,
- 19 2033, the standard deduction amounts provided
- 20 therein shall instead mean:



- 1 (i) \$24,000 in the case of a joint return as
2 provided by section 235-93 or a surviving
3 spouse (as defined in section 2(a) of the
4 Internal Revenue Code);
- 5 (ii) \$18,000 in the case of a head of household
6 (as defined in section 2(b) of the Internal
7 Revenue Code);
- 8 (iii) \$12,000 in the case of an individual who is
9 not married and who is not a surviving
10 spouse or head of household; or
- 11 (iv) \$12,000 in the case of a married individual
12 filing a separate return;
- 13 (3) Section 63(c)(5) (limiting the basic standard
14 deduction in the case of certain dependents) of the
15 Internal Revenue Code shall be operative, except that
16 the limitation shall be the greater of \$500 or the
17 individual's earned income; and
- 18 (4) The standard deduction amount for nonresidents shall
19 be calculated pursuant to section 235-5."
- 20 SECTION 2. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 3. This Act shall take effect on July 1, 3000, and
2 shall apply to taxable years beginning after December 31, 2026.



H.B. NO. 2779
H.D. 1

Report Title:

Income Tax; Taxation; Standard Deduction; Incremental Increase

Description:

Incrementally increases the amount of the income tax standard deduction for taxable years beginning after December 31, 2023, through taxable years beginning after December 31, 2033. Effective 7/1/3000. (HD1)

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

