

JAN 28 2026

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. The legislature finds that tax equity is a
3 cornerstone of economic prosperity. According to the Institute
4 on Taxation and Economic Policy, Hawaii places the second-
5 highest tax burden on low-income households, with the State's
6 lowest-income households paying approximately fifteen per cent
7 of their income in state and local taxes. In comparison, the
8 State's highest earning households pay approximately nine per
9 cent of their income in state and local taxes.

10 The legislature further finds that the State's cost of
11 living continues to be burdensome for residents. According to
12 the National Low Income Housing Coalition's "Out of Reach 2023"
13 report, a minimum wage employee must work one hundred seven
14 hours per week to afford a one-bedroom rental home at fair
15 market prices. The National Low Income Housing Coalition
16 estimates that a person must earn \$41.83 per hour to afford a
17 two-bedroom residence without being cost burdened.



1 In addition to the rising cost of housing, the costs of
2 utilities, groceries, and other everyday items have also
3 increased significantly within the last five years. Rising
4 costs of these essential items can also increase the burden on
5 lower-income families. For example, eliminating the general
6 excise tax on groceries and nonprescription drugs could ease the
7 tax burden on residents, especially lower-income households.
8 Further, money saved from a lower tax burden can be spent
9 elsewhere in the local economy, creating a circular effect that
10 will help many individuals and families statewide.

11 Accordingly, the purpose of this Act is to:

- 12 (1) Exempt the sale of groceries and nonprescription drugs
13 from the general excise tax;
- 14 (2) Remove the state income tax on unemployment
15 compensation benefits;
- 16 (3) Double the standard deduction for individuals earning
17 less than \$100,000, and joint returns earning less
18 than \$200,000;
- 19 (4) Repeal the incremental increases on standard income
20 tax deduction amounts;



(5) Increase the minimum income threshold exemption amount for the low-income household renters' income tax credit; and

(6) Remove the tax liability for the first \$100,000 of individual income earned.

PART II

SECTION 2. Chapter 237, Hawaii Revised Statutes, is amended by adding two new sections to be appropriately designated and to read as follows:

"§237- Exemption for groceries. There shall be exempted from, and excluded from the measure of, the taxes imposed by this chapter all of the gross proceeds or gross income received or derived from the sale of groceries.

For purposes of this section, "groceries" means products eligible to be purchased with the United States Department of Agriculture's supplemental nutrition assistance program benefits.

§237- Exemption for nonprescription drugs. (a) There shall be exempted from, and excluded from the measure of, the taxes imposed by this chapter all of the gross proceeds or gross



income received or derived from the sale of nonprescription
drugs.

(b) For the purposes of this section:

"Drug" means:

(1) Articles recognized in the official United States
Pharmacopoeia, official United States Pharmacopoeia
Dispensing Information, official Homeopathic
Pharmacopoeia of the United States, or official
National Formulary, or any supplement to any of these
publications;

(2) Articles intended for use in the diagnosis, cure,
mitigation, treatment, or prevention of disease in
humans or animals;

(3) Articles, other than food or clothing, intended to
affect the structure or any function of the body of
humans or animals; or

(4) Articles intended for use as a component of any
article specified in paragraphs (1) through (3);
provided that the term "drug" does not include devices
or their components, parts or accessories, cosmetics,
or liquor as defined in section 281-1.



"Nonprescription drug" means any packaged, bottled, or nonbulk chemical, drug, or medicine that may be lawfully sold without a practitioner's order."

PART III

SECTION 3. Section 235-7, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There shall be excluded from gross income, adjusted gross income, and taxable income:

(1) Income not subject to taxation by the State under the Constitution and laws of the United States;

(2) Rights, benefits, and other income exempted from taxation by section 88-91, having to do with the state retirement system, and the rights, benefits, and other income, comparable to the rights, benefits, and other income exempted by section 88-91, under any other public retirement system;

(3) Any compensation received in the form of a pension for past services;

(4) Compensation paid to a patient affected with Hansen's disease employed by the State or the United States in



1 any hospital, settlement, or place for the treatment
2 of Hansen's disease;

3 (5) Except as otherwise expressly provided, payments made
4 by the United States or this State, under an act of
5 Congress or a law of this State, which by express
6 provision or administrative regulation or
7 interpretation are exempt from both the normal and
8 surtaxes of the United States, even though not so
9 exempted by the Internal Revenue Code itself;

10 (6) Any income expressly exempted or excluded from the
11 measure of the tax imposed by this chapter by any
12 other law of the State, it being the intent of this
13 chapter not to repeal or supersede any such express
14 exemption or exclusion;

15 (7) Income received by each member of the reserve
16 components of the Army, Navy, Air Force, Marine Corps,
17 or Coast Guard of the United States of America, and
18 the Hawaii National Guard as compensation for
19 performance of duty, equivalent to pay received for
20 forty-eight drills (equivalent of twelve weekends) and
21 fifteen days of annual duty, at an:



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- 1 (A) E-1 pay grade after eight years of service;
2 provided that this subparagraph shall apply to
3 taxable years beginning after December 31, 2004;
- 4 (B) E-2 pay grade after eight years of service;
5 provided that this subparagraph shall apply to
6 taxable years beginning after December 31, 2005;
- 7 (C) E-3 pay grade after eight years of service;
8 provided that this subparagraph shall apply to
9 taxable years beginning after December 31, 2006;
- 10 (D) E-4 pay grade after eight years of service;
11 provided that this subparagraph shall apply to
12 taxable years beginning after December 31, 2007;
13 and
- 14 (E) E-5 pay grade after eight years of service;
15 provided that this subparagraph shall apply to
16 taxable years beginning after December 31, 2008;
- 17 (8) Income derived from the operation of ships or aircraft
18 if the income is exempt under the Internal Revenue
19 Code pursuant to the provisions of an income tax
20 treaty or agreement entered into by and between the
21 United States and a foreign country[+];[+] provided



1 that the tax laws of the local governments of that
2 country reciprocally exempt from the application of
3 all of their net income taxes, the income derived from
4 the operation of ships or aircraft that are documented
5 or registered under the laws of the United States;

6 (9) The value of legal services provided by a legal
7 service plan to a taxpayer, the taxpayer's spouse, and
8 the taxpayer's dependents;

9 (10) Amounts paid, directly or indirectly, by a legal
10 service plan to a taxpayer as payment or reimbursement
11 for the provision of legal services to the taxpayer,
12 the taxpayer's spouse, and the taxpayer's dependents;

13 (11) Contributions by an employer to a legal service plan
14 for compensation (through insurance or otherwise) to
15 the employer's employees for the costs of legal
16 services incurred by the employer's employees, their
17 spouses, and their dependents; ~~and~~

18 (12) Amounts received in the form of a monthly surcharge by
19 a utility acting on behalf of an affected utility
20 under section 269-16.3; provided that amounts retained



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1 by the acting utility for collection or other costs
2 shall not be included in this exemption~~[+]~~; and
3 (13) Income received as unemployment compensation benefits
4 under chapter 383."

5 SECTION 4. Section 383-161, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) Any agreement by an individual to waive, release, or
8 commute the individual's rights to benefits or any other rights
9 under this chapter shall be void, except agreements to withhold
10 and deduct benefits for the following purposes:

11 (1) The payment of child support obligations as provided
12 in section 383-163.5;

13 (2) The voluntary deduction and withholding of federal
14 ~~[and state]~~ income tax from unemployment compensation
15 as provided in section 383-163.6; and

16 (3) The repayment of uncollected overissuances of food
17 stamp coupons as provided in section 383-163.7."

18 SECTION 5. Section 383-163, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "**\$383-163 No assignment of benefits; waiver.** No
21 assignment, pledge, or encumbrance of any right to benefits



1 which are or may become due or payable under this chapter shall
2 be valid and the right to benefits shall not be subject to levy,
3 execution, attachment, garnishment, or any other remedy for the
4 collection of debt. No waiver of this section shall be valid,
5 except that this section shall not apply to:

6 (1) Section 383-163.5 with respect to the withholding and
7 deduction of benefits for the payment of child support
8 obligations;

9 (2) Section 383-163.6 with respect to the voluntary
10 withholding and deduction of benefits for payment of
11 federal [~~and state~~] income taxes; and

12 (3) Section 383-163.7 with respect to the withholding and
13 deduction of benefits for repayment of uncollected
14 overissuances of food stamp coupons."

15 SECTION 6. Section 383-163.6, Hawaii Revised Statutes, is
16 amended by amending subsection (a) to read as follows:

17 "(a) An individual filing a new claim for unemployment
18 compensation shall, at the time of filing the claim, be advised
19 that:

20 (1) Unemployment compensation is subject to federal [~~and~~
21 ~~state~~] income tax;



1 (2) Requirements exist pertaining to estimated tax
2 payments;

3 (3) The individual may elect to have federal income tax
4 deducted and withheld from the individual's payment of
5 unemployment compensation at the amount specified in
6 the Internal Revenue Code of 1986, as amended;

7 ~~[(4) The individual may elect to have state income tax~~
8 ~~deducted and withheld from the individual's payment of~~
9 ~~unemployment compensation at the amount specified in~~
10 ~~section 235-69;~~

11 ~~(5)]~~ (4) The individual may elect to have state and local
12 income taxes deducted and withheld from the
13 individual's payment of unemployment compensation for
14 other states and localities outside the State at the
15 percentage established by the state or locality, if
16 the department by agreement with the other state or
17 locality is authorized to deduct and withhold income
18 tax; and

19 ~~[(6)]~~ (5) The individual shall be permitted to change a
20 previously elected withholding status during a benefit
21 year."



SECTION 7. Section 235-69, Hawaii Revised Statutes, is repealed.

~~["§235-69] Voluntary deduction and withholding of state income tax from unemployment compensation. An individual receiving unemployment compensation benefits under chapter 383 may elect to have state income tax deducted and withheld from the individual's payment of unemployment compensation at the rate of five per cent in accordance with section 383-163.6."]~~

PART IV

SECTION 8. Section 235-2.4, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

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

- (1) Section 63(c)(1)(B) (relating to the additional standard deduction), 63(c)(1)(C) (relating to the real property tax deduction), 63(c)(1)(D) (relating to the disaster loss deduction), 63(c)(1)(E) (relating to the motor vehicle sales tax deduction), 63(c)(4) (relating to inflation adjustments), 63(c)(7) (defining the real property tax deduction), 63(c)(8) (defining the



1 disaster loss deduction), 63(c)(9) (defining the motor
2 vehicle sales tax deduction), and 63(f) (relating to
3 additional amounts for the aged or blind) of the
4 Internal Revenue Code shall not be operative for
5 purposes of this chapter;

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

10 (A) \$4,400 or \$8,800 for a return with an adjusted
11 gross income of less than \$200,000, in the case
12 of:

13 (i) A joint return as provided by section
14 235-93; or

15 (ii) A surviving spouse (as defined in section
16 2(a) of the Internal Revenue Code);

17 (B) \$3,212 or \$6,424 for a return with an adjusted
18 gross income less than \$100,000, in the case of a
19 head of household (as defined in section 2(b) of
20 the Internal Revenue Code);



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1 (C) \$2,200 or \$4,400 for a return with an adjusted
2 gross income less than \$100,000, in the case of
3 an individual who is not married and who is not a
4 surviving spouse or head of household; and

5 (D) \$2,200 or \$4,400 for a return with an adjusted
6 gross income less than \$100,000, in the case of a
7 married individual filing a separate return;

8 ~~[(E) For taxable years beginning after December 31,~~
9 ~~2023:~~

10 ~~(i) \$8,800 in the case of a joint return as~~
11 ~~provided by section 235-93 or a surviving~~
12 ~~spouse (as defined in section 2(a) of the~~
13 ~~Internal Revenue Code);~~

14 ~~(ii) \$6,424 in the case of a head of household~~
15 ~~(as defined in section 2(b) of the Internal~~
16 ~~Revenue Code);~~

17 ~~(iii) \$4,400 in the case of an individual who is~~
18 ~~not married and who is not a surviving~~
19 ~~spouse or head of household; or~~

20 ~~(iv) \$4,400 in the case of a married individual~~
21 ~~filing a separate return;~~

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1 ~~(F) For taxable years beginning after December 31,~~
2 ~~2025:~~

3 ~~(i) \$16,000 in the case of a joint return as~~
4 ~~provided by section 235-93 or a surviving~~
5 ~~spouse (as defined in section 2(a) of the~~
6 ~~Internal Revenue Code);~~

7 ~~(ii) \$12,000 in the case of a head of household~~
8 ~~(as defined in section 2(b) of the Internal~~
9 ~~Revenue Code);~~

10 ~~(iii) \$8,000 in the case of an individual who is~~
11 ~~not married and who is not a surviving~~
12 ~~spouse or head of household; or~~

13 ~~(iv) \$8,000 in the case of a married individual~~
14 ~~filing a separate return;~~

15 ~~(G) For taxable years beginning after December 31,~~
16 ~~2027:~~

17 ~~(i) \$18,000 in the case of a joint return as~~
18 ~~provided by section 235-93 or a surviving~~
19 ~~spouse (as defined in section 2(a) of the~~
20 ~~Internal Revenue Code);~~



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1 ~~(ii) \$13,500 in the case of a head of household~~
2 ~~(as defined in section 2(b) of the Internal~~
3 ~~Revenue Code);~~

4 ~~(iii) \$9,000 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) \$9,000 in the case of a married individual~~
8 ~~filing a separate return;~~

9 ~~(H) For taxable years beginning after December 31,~~
10 ~~2029;~~

11 ~~(i) \$20,000 in the case of a joint return as~~
12 ~~provided by section 235-93 or a surviving~~
13 ~~spouse (as defined in section 2(a) of the~~
14 ~~Internal Revenue Code);~~

15 ~~(ii) \$15,000 in the case of a head of household~~
16 ~~(as defined in section 2(b) of the Internal~~
17 ~~Revenue Code);~~

18 ~~(iii) \$10,000 in the case of an individual who is~~
19 ~~not married and who is not a surviving~~
20 ~~spouse or head of household; or~~



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~~(iv) \$10,000 in the case of a married individual
filing a separate return; and~~

~~(I) For taxable years beginning after December 31,
2030:~~

~~(i) \$24,000 in the case of a joint return as
provided by section 235-93 or a surviving
spouse (as defined in section 2(a) of the
Internal Revenue Code);~~

~~(ii) \$18,000 in the case of a head of household
(as defined in section 2(b) of the Internal
Revenue Code);~~

~~(iii) \$12,000 in the case of an individual who is
not married and who is not a surviving
spouse or head of household; or~~

~~(iv) \$12,000 in the case of a married individual
filing a separate return;]~~

(3) Section 63(c)(5) (limiting the basic standard
deduction in the case of certain dependents) of the
Internal Revenue Code shall be operative, except that
the limitation shall be the greater of \$500 or the
individual's earned income; and



(4) The standard deduction amount for nonresidents shall be calculated pursuant to section 235-5."

PART V

SECTION 9. Section 235-55.7, Hawaii Revised Statutes, is amended as follows:

1. By amending subsections (a), (b), and (c) to read:

"(a) As used in this section:

~~[(1)]~~ "Adjusted gross income" ~~[is defined by section 235-1.]~~ has the same meaning as defined in title 26 United States Code section 62, Internal Revenue Code of 1986, as amended.

~~[(2)]~~ "Qualified exemption" includes those exemptions permitted under this chapter; provided that a person for whom exemption is claimed has physically resided in the State for more than nine months during the taxable year; ~~[and]~~ provided further that multiple ~~[exemption]~~ exemptions shall not be granted because of deficiencies in vision, hearing, or other disability.

~~[(3)]~~ "Rent" means the amount paid in cash in any taxable year for the occupancy of a dwelling place ~~[which]~~ that is used by a resident taxpayer or the resident taxpayer's immediate



1 family as the principal residence in this State. Rent is
2 limited to the amount paid for the occupancy of the dwelling
3 place only, and is exclusive of charges for utilities, parking
4 stalls, storage of goods, yard services, furniture, furnishings,
5 and the like. Rent shall not include any rental claimed as a
6 deduction from gross income or adjusted gross income for income
7 tax purposes, any ground rental paid for use of land only, ~~and~~
8 or any rent allowance or subsidies received.

9 (b) Each resident taxpayer who occupies and pays rent for
10 real property within the State as the resident taxpayer's
11 residence or the residence of the resident taxpayer's immediate
12 family ~~which~~ that is not partially or wholly exempted from
13 real property tax, who is not eligible to be claimed as a
14 dependent for federal or state income taxes by another, and who
15 files an individual net income tax return for a taxable year,
16 may claim a tax credit under this section against the resident
17 taxpayer's Hawaii state individual net income tax.

18 (c) Each taxpayer with an adjusted gross income of less
19 than ~~[\$30,000]~~ \$50,000 who has paid more than \$1,000 in rent
20 during the taxable year for which the credit is claimed may
21 claim a tax credit of ~~[\$50]~~ \$500 multiplied by the number of



1 qualified exemptions to which the taxpayer is entitled; provided
2 that each taxpayer sixty-five years of age or over may claim
3 double the tax credit; [~~and~~] provided further that a resident
4 individual who has no income or no income taxable under this
5 chapter may also claim the tax credit as set forth in this
6 section."

7 2. By amending subsection (e) to read:

8 "(e) The tax credits shall be deductible from the
9 taxpayer's individual net income tax for the tax year in which
10 the credits are properly claimed; provided that [~~a husband and~~
11 ~~wife~~] married couples filing separate returns for a taxable year
12 for which a joint return could have been made by them shall
13 claim only the tax credits to which they would have been
14 entitled had a joint return been filed. In the event the
15 allowed tax credits exceed the amount of the income tax payments
16 due from the taxpayer, the excess of credits over payments due
17 shall be refunded to the taxpayer; provided that allowed tax
18 credits properly claimed by an individual who has no income tax
19 liability shall be paid to the individual; and provided further
20 that no refunds or payments on account of the tax credits
21 allowed by this section shall be made for amounts less than \$1."



3. By amending subsection (h) to read:

"(h) Claims for tax credits under this section, including any amended claims [~~thereof~~], shall be filed on or before the end of the twelfth month following the taxable year for which the credit may be claimed."

PART VI.

SECTION 10. Section 235-51, Hawaii Revised Statutes, is amended by amending subsections (a), (b), and (c) to read as follows:

"(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, 2017:

If the taxable income is:	The tax shall be:
Not over \$4,800	1.40% of taxable income
Over \$4,800 but	\$67.00 plus 3.20% of



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1	not over \$9,600	excess over \$4,800
2	Over \$9,600 but	\$221.00 plus 5.50% of
3	not over \$19,200	excess over \$9,600
4	Over \$19,200 but	\$749.00 plus 6.40% of
5	not over \$28,800	excess over \$19,200
6	Over \$28,800 but	\$1,363.00 plus 6.80% of
7	not over \$38,400	excess over \$28,800
8	Over \$38,400 but	\$2,016.00 plus 7.20% of
9	not over \$48,000	excess over \$38,400
10	Over \$48,000 but	\$2,707.00 plus 7.60% of
11	not over \$72,000	excess over \$48,000
12	Over \$72,000 but	\$4,531.00 plus 7.90% of
13	not over \$96,000	excess over \$72,000
14	Over \$96,000 but	\$6,427.00 plus 8.25% of
15	not over \$300,000	excess over \$96,000
16	Over \$300,000 but	\$23,257.00 plus 9.00% of
17	not over \$350,000	excess over \$300,000
18	Over \$350,000 but	\$27,757.00 plus 10.00% of
19	not over \$400,000	excess over \$350,000
20	Over \$400,000	\$32,757.00 plus 11.00% of
21		excess over \$400,000.



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In the case of any taxable year beginning after December
31, 2024:

If the taxable income is:	The tax shall be:
Not over \$19,200	1.40% of taxable income
Over \$19,200 but not over \$28,800	\$269.00 plus 3.20% of excess over \$19,200
Over \$28,800 but not over \$38,400	\$576.00 plus 5.50% of excess over \$28,800
Over \$38,400 but not over \$48,000	\$1,104.00 plus 6.40% of excess over \$38,400
Over \$48,000 but not over \$72,000	\$1,718.00 plus 6.80% of excess over \$48,000
Over \$72,000 but not over \$96,000	\$3,350.00 plus 7.20% of excess over \$72,000
Over \$96,000 but not over \$250,000	\$5,078.00 plus 7.60% of excess over \$96,000
Over \$250,000 but not over \$350,000	\$16,782.00 plus 7.90% of excess over \$250,000
Over \$350,000 but not over \$450,000	\$24,682.00 plus 8.25% of excess over \$350,000



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1 Over \$450,000 but \$32,932.00 plus 9.00% of
2 not over \$550,000 excess over \$450,000
3 Over \$550,000 but \$41,932.00 plus 10.00% of
4 not over \$650,000 excess over \$550,000
5 Over \$650,000 \$51,932.00 plus 11.00% of
6 excess over \$650,000.
7

8 In the case of any taxable year beginning after December
9 31, 2026:

10	If the taxable income is:	The tax shall be:
11	[Not over \$28,800	1.40% of taxable income
12	Over \$28,800 but	\$403.00 plus 3.20% of
13	not over \$38,400	excess over \$28,800
14	Over \$38,400 but	\$710.00 plus 5.50% of
15	not over \$48,000	excess over \$38,400
16	Over \$48,000 but	\$1,238.00 plus 6.40% of
17	not over \$72,000	excess over \$48,000
18	Over \$72,000 but	\$2,774.00 plus 6.80% of
19	not over \$96,000	excess over \$72,000
20	Over \$96,000 but	\$4,406.00 plus 7.20% of
21	not over \$250,000	excess over \$96,000



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1	Over \$250,000 but	\$15,494.00 plus 7.60% of
2	not over \$350,000	excess over \$250,000
3	Over \$350,000 but	\$23,094.00 plus 7.90% of
4	not over \$450,000	excess over \$350,000
5	Over \$450,000 but	\$30,994.00 plus 8.25% of
6	not over \$550,000	excess over \$450,000
7	Over \$550,000 but	\$39,244.00 plus 9.00% of
8	not over \$650,000	excess over \$550,000
9	Over \$650,000 but	\$48,244.00 plus 10.00% of
10	not over \$800,000	excess over \$650,000
11	Over \$800,000	\$63,244.00 plus 11.00% of
12		excess over \$800,000.]
13	<u>Not over \$100,000</u>	<u>0% of taxable income</u>
14	<u>Over \$100,000 but</u>	<u>\$0.00 plus 8.25% of</u>
15	<u>not over \$300,000</u>	<u>excess over \$100,000</u>
16	<u>Over \$300,000 but</u>	<u>\$16,500.00 plus 9.00% of</u>
17	<u>not over \$350,000</u>	<u>excess over \$300,000</u>
18	<u>Over \$350,000 but</u>	<u>\$21,000.00 plus 10.00% of</u>
19	<u>not over \$400,000</u>	<u>excess over \$350,000</u>
20	<u>Over \$400,000</u>	<u>\$26,000.00 plus 11.00% of</u>
21		<u>excess over \$400,000.</u>



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~~[In the case of any taxable year beginning after December
31, 2028:]~~

If the taxable income is:	The tax shall be:
Not over \$38,400	1.40% of taxable income
Over \$38,400 but not over \$48,000	\$538.00 plus 3.20% of excess over \$38,400
Over \$48,000 but not over \$72,000	\$845.00 plus 5.50% of excess over \$48,000
Over \$72,000 but not over \$96,000	\$2,165.00 plus 6.40% of excess over \$72,000
Over \$96,000 but not over \$250,000	\$3,701.00 plus 6.80% of excess over \$96,000
Over \$250,000 but not over \$350,000	\$14,173.00 plus 7.20% of excess over \$250,000
Over \$350,000 but not over \$450,000	\$21,373.00 plus 7.60% of excess over \$350,000
Over \$450,000 but not over \$550,000	\$28,973.00 plus 7.90% of excess over \$450,000
Over \$550,000 but not over \$650,000	\$36,873.00 plus 8.25% of excess over \$550,000



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~~Over \$650,000 but~~ ~~\$45,123.00 plus 9.00% of~~
~~not over \$800,000~~ ~~excess over \$650,000~~
~~Over \$800,000 but~~ ~~\$58,623.00 plus 10.00% of~~
~~not over \$950,000~~ ~~excess over \$800,000~~
~~Over \$950,000~~ ~~\$73,623.00 plus 11.00% of~~
~~excess over \$950,000.]~~

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

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

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



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

17

18 In the case of any taxable year beginning after December
19 31, 2024:

20	If the taxable income is:	The tax shall be:
21	Not over \$14,400	1.40% of taxable income



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1	Over \$14,400 but	\$202.00 plus 3.20% of
2	not over \$21,600	excess over \$14,400
3	Over \$21,600 but	\$432.00 plus 5.50% of
4	not over \$28,800	excess over \$21,600
5	Over \$28,800 but	\$828.00 plus 6.40% of
6	not over \$36,000	excess over \$28,800
7	Over \$36,000 but	\$1,289.00 plus 6.80% of
8	not over \$54,000	excess over \$36,000
9	Over \$54,000 but	\$2,513.00 plus 7.20% of
10	not over \$72,000	excess over \$54,000
11	Over \$72,000 but	\$3,809.00 plus 7.60% of
12	not over \$187,500	excess over \$72,000
13	Over \$187,500 but	\$12,587.00 plus 7.90% of
14	not over \$262,500	excess over \$187,500
15	Over \$262,500 but	\$18,512.00 plus 8.25% of
16	not over \$337,500	excess over \$262,500
17	Over \$337,500 but	\$24,699.00 plus 9.00% of
18	not over \$412,500	excess over \$337,500
19	Over \$412,500 but	\$31,449.00 plus 10.00% of
20	not over \$487,500	excess over \$412,500
21	Over \$487,500	\$38,949.00 plus 11.00% of



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excess over \$487,500.

In the case of any taxable year beginning after December 31, 2026:

If the taxable income is:	The tax shall be:
[Not over \$21,600	1.40% of taxable income
Over \$21,600 but	\$302.00 plus 3.20% of
not over \$28,800	excess over \$21,600
Over \$28,800 but	\$533.00 plus 5.50% of
not over \$36,000	excess over \$28,800
Over \$36,000 but	\$929.00 plus 6.40% of
not over \$54,000	excess over \$36,000
Over \$54,000 but	\$2,081.00 plus 6.80% of
not over \$72,000	excess over \$54,000
Over \$72,000 but	\$3,305.00 plus 7.20% of
not over \$187,500	excess over \$72,000
Over \$187,500 but	\$11,621.00 plus 7.60% of
not over \$262,500	excess over \$187,500
Over \$262,500 but	\$17,321.00 plus 7.90% of
not over \$337,500	excess over \$262,500
Over \$337,500 but	\$23,246.00 plus 8.25% of



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1	not over \$412,500	excess over \$337,500
2	Over \$412,500 but	\$29,433.00 plus 9.00% of
3	not over \$487,500	excess over \$412,500
4	Over \$487,500 but	\$36,183.00 plus 10.00% of
5	not over \$600,000	excess over \$487,500
6	Over \$600,000	\$47,433.00 plus 11.00% of
7		excess over \$600,000.]
8	<u>Not over \$100,000</u>	<u>0% of taxable income</u>
9	<u>Over \$100,000 but</u>	<u>\$0.00 plus 8.25% of</u>
10	<u>not over \$225,000</u>	<u>excess over \$100,000</u>
11	<u>Over \$225,000 but</u>	<u>\$10,312.00 plus 9.00% of</u>
12	<u>not over \$262,500</u>	<u>excess over \$225,000</u>
13	<u>Over \$262,500 but</u>	<u>\$13,687.00 plus 10.00% of</u>
14	<u>not over \$300,000</u>	<u>excess over \$262,500</u>
15	<u>Over \$300,000</u>	<u>\$17,437.00 plus 11.00% of</u>
16		<u>excess over \$300,000.</u>
17		
18	[In the case of any taxable year beginning after December	
19	31, 2028:	
20	If the taxable income is:	The tax shall be:
21	Not over \$28,800	1.40% of taxable income



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1	Over \$28,800 but	\$403.00 plus 3.20% of
2	not over \$36,000	excess over \$28,800
3	Over \$36,000 but	\$634.00 plus 5.50% of
4	not over \$54,000	excess over \$36,000
5	Over \$54,000 but	\$1,624.00 plus 6.40% of
6	not over \$72,000	excess over \$54,000
7	Over \$72,000 but	\$2,776.00 plus 6.80% of
8	not over \$187,500	excess over \$72,000
9	Over \$187,500 but	\$10,630.00 plus 7.20% of
10	not over \$262,500	excess over \$187,500
11	Over \$262,500 but	\$16,030.00 plus 7.60% of
12	not over \$337,500	excess over \$262,500
13	Over \$337,500 but	\$21,730.00 plus 7.90% of
14	not over \$412,500	excess over \$337,500
15	Over \$412,500 but	\$27,655.00 plus 8.25% of
16	not over \$487,500	excess over \$412,500
17	Over \$487,500 but	\$33,842.00 plus 9.00% of
18	not over \$600,000	excess over \$487,500
19	Over \$600,000 but	\$43,967.00 plus 10.00% of
20	not over \$712,500	excess over \$600,000
21	Over \$712,500	\$55,217.00 plus 11.00% of



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~~excess over \$712,500.]~~

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

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

If the taxable income is:	The tax shall be:
Not over \$2,400	1.40% of taxable income
Over \$2,400 but not over \$4,800	\$34.00 plus 3.20% of excess over \$2,400
Over \$4,800 but not over \$9,600	\$110.00 plus 5.50% of excess over \$4,800
Over \$9,600 but not over \$14,400	\$374.00 plus 6.40% of excess over \$9,600
Over \$14,400 but not over \$19,200	\$682.00 plus 6.80% of excess over \$14,400



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1	Over \$19,200 but	\$1,008.00 plus 7.20% of
2	not over \$24,000	excess over \$19,200
3	Over \$24,000 but	\$1,354.00 plus 7.60% of
4	not over \$36,000	excess over \$24,000
5	Over \$36,000 but	\$2,266.00 plus 7.90% of
6	not over \$48,000	excess over \$36,000
7	Over \$48,000 but	\$3,214.00 plus 8.25% of
8	not over \$150,000	excess over \$48,000
9	Over \$150,000 but	\$11,629.00 plus 9.00% of
10	not over \$175,000	excess over \$150,000
11	Over \$175,000 but	\$13,879.00 plus 10.00% of
12	not over \$200,000	excess over \$175,000
13	Over \$200,000	\$16,379.00 plus 11.00% of
14		excess over \$200,000.
15		
16	In the case of any taxable year beginning after December	
17	31, 2024:	
18	If the taxable income is:	The tax shall be:
19	Not over \$9,600	1.40% of taxable income
20	Over \$9,600 but	\$134.00 plus 3.20% of
21	not over \$14,400	excess over \$9,600



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1	Over \$14,400 but	\$288.00 plus 5.50% of
2	not over \$19,200	excess over \$14,400
3	Over \$19,200 but	\$552.00 plus 6.40% of
4	not over \$24,000	excess over \$19,200
5	Over \$24,000 but	\$859.00 plus 6.80% of
6	not over \$36,000	excess over \$24,000
7	Over \$36,000 but	\$1,675.00 plus 7.20% of
8	not over \$48,000	excess over \$36,000
9	Over \$48,000 but	\$2,539.00 plus 7.60% of
10	not over \$125,000	excess over \$48,000
11	Over \$125,000 but	\$8,391.00 plus 7.90% of
12	not over \$175,000	excess over \$125,000
13	Over \$175,000 but	\$12,341.00 plus 8.25% of
14	not over \$225,000	excess over \$175,000
15	Over \$225,000 but	\$16,466.00 plus 9.00% of
16	not over \$275,000	excess over \$225,000
17	Over \$275,000 but	\$20,966.00 plus 10.00% of
18	not over \$325,000	excess over \$275,000
19	Over \$325,000	\$25,966.00 plus 11.00% of
20		excess over \$325,000.
21		



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1 In the case of any taxable year beginning after December
2 31, 2026:

3	If the taxable income is:	The tax shall be:
4	[Not over \$14,400	1.40% of taxable income
5	Over \$14,400 but	\$202.00 plus 3.20% of
6	not over \$19,200	excess over \$14,400
7	Over \$19,200 but	\$355.00 plus 5.50% of
8	not over \$24,000	excess over \$19,200
9	Over \$24,000 but	\$619.00 plus 6.40% of
10	not over \$36,000	excess over \$24,000
11	Over \$36,000 but	\$1,387.00 plus 6.80% of
12	not over \$48,000	excess over \$36,000
13	Over \$48,000 but	\$2,203.00 plus 7.20% of
14	not over \$125,000	excess over \$48,000
15	Over \$125,000 but	\$7,747.00 plus 7.60% of
16	not over \$175,000	excess over \$125,000
17	Over \$175,000 but	\$11,547.00 plus 7.90% of
18	not over \$225,000	excess over \$175,000
19	Over \$225,000 but	\$15,497.00 plus 8.25% of
20	not over \$275,000	excess over \$225,000
21	Over \$275,000 but	\$19,622.00 plus 9.00% of



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1	not over \$325,000	excess over \$275,000
2	Over \$325,000 but	\$24,122.00 plus 10.00% of
3	not over \$400,000	excess over \$325,000
4	Over \$400,000	\$31,622.00 plus 11.00% of
5		excess over \$400,000.]
6	<u>Not over \$100,000</u>	<u>0% of taxable income</u>
7	<u>Over \$100,000 but</u>	<u>\$0.00 plus 8.25% of</u>
8	<u>not over \$150,000</u>	<u>excess over \$100,000</u>
9	<u>Over \$150,000 but</u>	<u>\$4,125.00 plus 9.00% of</u>
10	<u>not over \$175,000</u>	<u>excess over \$150,000</u>
11	<u>Over \$175,000 but</u>	<u>\$6,375.00 plus 10.00% of</u>
12	<u>not over \$200,000</u>	<u>excess over \$175,000</u>
13	<u>Over \$200,000</u>	<u>\$8,875.00 plus 11.00% of</u>
14		<u>excess over \$200,000.</u>
15		
16	[In the case of any taxable year beginning after December	
17	31, 2028:	
18	If the taxable income is:	The tax shall be:
19	Not over \$19,200	1.40% of taxable income
20	Over \$19,200 but	\$269.00 plus 3.20% of
21	not over \$24,000	excess over \$19,200



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1 ~~Over \$24,000 but~~ ~~\$422.00 plus 5.50% of~~
2 ~~not over \$36,000~~ ~~excess over \$24,000~~
3 ~~Over \$36,000 but~~ ~~\$1,082.00 plus 6.40% of~~
4 ~~not over \$48,000~~ ~~excess over \$36,000~~
5 ~~Over \$48,000 but~~ ~~\$1,850.00 plus 6.80% of~~
6 ~~not over \$125,000~~ ~~excess over \$48,000~~
7 ~~Over \$125,000 but~~ ~~\$7,086.00 plus 7.20% of~~
8 ~~not over \$175,000~~ ~~excess over \$125,000~~
9 ~~Over \$175,000 but~~ ~~\$10,686.00 plus 7.60% of~~
10 ~~not over \$225,000~~ ~~excess over \$175,000~~
11 ~~Over \$225,000 but~~ ~~\$14,486.00 plus 7.90% of~~
12 ~~not over \$275,000~~ ~~excess over \$225,000~~
13 ~~Over \$275,000 but~~ ~~\$18,436.00 plus 8.25% of~~
14 ~~not over \$325,000~~ ~~excess over \$275,000~~
15 ~~Over \$325,000 but~~ ~~\$22,561.00 plus 9.00% of~~
16 ~~not over \$400,000~~ ~~excess over \$325,000~~
17 ~~Over \$400,000 but~~ ~~\$29,311.00 plus 10.00% of~~
18 ~~not over \$475,000~~ ~~excess over \$400,000~~
19 ~~Over \$475,000~~ ~~\$36,811.00 plus 11.00% of~~
20 ~~excess over \$475,000.] "~~
21



1 PART VII

2 SECTION 11. Statutory material to be repealed is bracketed
3 and stricken. New statutory material is underscored.

4 SECTION 12. This Act shall take effect upon its approval;
5 provided that:

6 (1) Part II shall take effect on July 1, 2026;

7 (2) Parts III, IV, V, and VI shall apply to taxable years
8 beginning after December 31, 2025.

9

INTRODUCED BY: Kurt Fevella



S.B. NO. 3197

Report Title:

GET; Groceries; Nonprescription Drugs; Income Tax; Income Tax Brackets; Standard Deduction; Unemployment Insurance; Exemptions

Description:

Exempts the sale of groceries and nonprescription drugs from the general excise tax. Removes the state income tax on unemployment compensation benefits. Doubles the standard deduction for individuals earning less than \$100,000 and joint returns earning less than \$200,000. Repeals the incremental increases on standard income tax deduction amounts. Increases the minimum income threshold and exemption amount for the low-income household renters' income tax credit. Removes the tax liability for the first \$100,000 of individual income earned.

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

