
A BILL FOR AN ACT

RELATING TO THE MINIMUM WAGE.

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

1 SECTION 1. The legislature finds that residents and
2 businesses face significant financial challenges due to the
3 rising cost of living in Hawaii. While increases in the minimum
4 wage are intended to provide workers with greater financial
5 stability, such measures may unintentionally exacerbate the
6 economic pressures on small businesses and contribute to
7 inflationary trends.

8 The legislature further finds that Hawaii's cost of living
9 remains among the highest in the nation, driven by housing
10 expenses, transportation, and the import-dependent nature of the
11 economy. Raising the minimum wage beyond current levels risks
12 escalating these costs further, as businesses may need to
13 increase prices to offset higher labor expenses. This creates a
14 cycle of rising costs that diminishes the intended benefits of
15 wage increases for workers while placing additional financial
16 burdens on families and individuals.



1 The legislature also finds that small businesses, the
2 backbone of Hawaii's economy, face unique challenges in adapting
3 to wage increases. Many operate with slim profit margins and
4 lack the financial flexibility to absorb higher labor costs
5 without reducing staff hours, cutting positions, or closing
6 their doors altogether. In a state heavily reliant on tourism
7 and service-based industries, these impacts could ripple through
8 the broader economy, resulting in reduced job opportunities and
9 increased economic instability.

10 The purpose of this Act is to repeal the minimum wage and
11 tip credit increases that are to occur on January 1, 2028, which
12 ensures fairness for workers while providing necessary support
13 to sustain small businesses and stabilize Hawaii's economy.

14 SECTION 2. Section 387-2, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§387-2 Minimum wages.** (a) Except as provided in section
17 387-9 and this section, every employer shall pay to each
18 employee employed by the employer, wages at the rate of not less
19 than:

20 (1) \$6.25 per hour beginning January 1, 2003;

21 (2) \$6.75 per hour beginning January 1, 2006;



(3) \$7.25 per hour beginning January 1, 2007;

(4) \$7.75 per hour beginning January 1, 2015;

(5) \$8.50 per hour beginning January 1, 2016;

(6) \$9.25 per hour beginning January 1, 2017;

(7) \$10.10 per hour beginning January 1, 2018;

(8) \$12.00 per hour beginning October 1, 2022;

(9) \$14.00 per hour beginning January 1, 2024; and

(10) \$16.00 per hour beginning January 1, 2026[~~;~~ and

~~(11) \$18.00 per hour beginning January 1, 2028].~~

(b) The hourly wage of a tipped employee may be deemed to be increased on account of tips if the employee is paid no less than:

(1) 25 cents;

(2) 50 cents per hour beginning January 1, 2015;

(3) 75 cents per hour beginning January 1, 2016;

(4) \$1.00 per hour beginning October 1, 2022; and

(5) \$1.25 per hour beginning January 1, 2024[~~;~~ and

~~(6) \$1.50 per hour beginning January 1, 2028],~~

below the applicable minimum wage by the employee's employer and the combined amount the employee receives from the employee's employer and in tips is at least 50 cents more than the



H.B. NO. 1533

1 applicable minimum wage; provided that beginning January 1,
2 2015, the combined amount the employee receives from the
3 employee's employer and in tips is at least \$7.00 more than the
4 applicable minimum wage."

5 SECTION 3. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 4. This Act shall take effect upon its approval.

8

INTRODUCED BY:

Samuel S. Kay

JAN 14 2026



H.B. NO. 1533

Report Title:

Minimum Wage; Tip Credit

Description:

Repeals the minimum wage and tip credit increases that are to occur on 1/1/2028.

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