

ACT 24

S.B. NO. 1470

A Bill for an Act Relating to Income Tax Withholding.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 235-61, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) For each withholding period (whether weekly, biweekly, monthly, or otherwise) the amount of tax to be withheld under this section shall be at a rate that, for the taxable year, will yield the tax imposed by section 235-51 upon each employee’s annual wage, as estimated from the employee’s current wage in any withholding period ~~[, but for the purposes of this subsection of the rates provided by section 235-51 the maximum to be taken into consideration shall be eight per cent]~~. The tax for the taxable year shall be calculated upon the following assumptions:

- (1) That the employee’s annual wage, as estimated from the employee’s current wage in the withholding period, will be the employee’s sole income for the taxable year;
- (2) That there will be no deductions therefrom in determining adjusted gross income;
- (3) That in determining taxable income there shall be a standard deduction allowance, which shall be an amount equal to one exemption (or more ~~or less~~ than one exemption if so prescribed by the director) unless the taxpayer:
 - (A) Is married and the taxpayer’s spouse is an employee receiving wages subject to withholding; or
 - (B) Has withholding exemption certificates in effect with respect to more than one employer.

~~[For the purposes of this section, any standard deduction allowance under this paragraph shall be treated as if it were denominated a withholding exemption;]~~

- (4) That in determining taxable income there also will be deducted the amount of exemptions and withholding allowances granted to the employee in the computation of taxable income, as shown by a certificate to be filed with the employer as provided by subsection (f); and
- (5) If it appears from the certificate filed pursuant to subsection (f) that the employee, under section 235-93, is entitled to make a joint return, that the employee and the employee’s spouse will so elect.”

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 Statutory material to be repealed is bracketed and stricken.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

SECTION 3. This Act, upon its approval, shall apply to taxable years beginning after December 31, 2024.

(Approved April 23, 2025.)