

# TAX REVIEW COMMISSION 2025-2027

Sixth Meeting

May 26, 2026

## Legislative Update

**Baybars Karacaovali, Ph.D.**  
Tax Research & Planning Officer  
Hawai'i Department of Taxation (DOTAX)



## Major Tax-Related Measures Passed by the 2024 Legislature and Enacted into Law

### Estimates of General Fund Tax Revenue Gain or (Loss)

(Dollar amounts are in \$ millions)

Act Number	Description	General Fund Revenue Gain (or Loss)						
		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Act 46, SLH 2024	<b>Individual Income Tax Cut.</b> Increases the standard deduction amounts, with amendments taking effect in tax years 2024, 2026, 2028, 2030, and 2031. Act 46 also amends the income tax brackets by increasing the income limits in each bracket, with amendments taking effect in tax years 2025, 2027, and 2029.	(\$240.3)	(\$596.6)	(\$740.1)	(\$922.7)	(\$1,052.6)	(\$1,262.3)	(\$1,347.5)
Act 47, SLH 2024	<b>GET Exemption.</b> Exempts medical services provided by health care providers to patients who receive Medicaid, Medicare, or TRICARE benefits from the general excise tax. Applies to taxable years beginning 1/1/2026.	\$0.0	(\$33.6)	(\$77.5)	(\$81.0)	(\$84.5)	(\$88.2)	(\$92.1)
<b>Total</b>		<b>(\$240.3)</b>	<b>(\$630.2)</b>	<b>(\$817.6)</b>	<b>(\$1,003.7)</b>	<b>(\$1,137.1)</b>	<b>(\$1,350.5)</b>	<b>(\$1,439.6)</b>

### ACT 46, SLH 2024

#### STANDARD DEDUCTION CHANGES

	CY2023	CY2024		CY2026		CY2028		CY2030	CY2031
<b>Single</b>	\$2,200	\$4,400		\$8,000		\$9,000		\$10,000	\$12,000
<b>Joint</b>	\$4,400	\$8,800		\$16,000		\$18,000		\$20,000	\$24,000
<b>HH</b>	\$3,212	\$6,424		\$12,000		\$13,500		\$15,000	\$18,000

TAX BRACKET CHANGES	CY2025		CY2027		CY2029



## 2019-2024 TAX SCHEDULE

Tax Brackets	Marginal Tax Rate	Single/MFS Taxable Income		Joint/Widow(er) Taxable Inc.		Head of HH Taxable Income	
		Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)
Tax Bracket 1	1.40%		\$2,400		\$4,800		\$3,600
Tax Bracket 2	3.20%	\$2,400	\$4,800	\$4,800	\$9,600	\$3,600	\$7,200
Tax Bracket 3	5.50%	\$4,800	\$9,600	\$9,600	\$19,200	\$7,200	\$14,400
Tax Bracket 4	6.40%	\$9,600	\$14,400	\$19,200	\$28,800	\$14,400	\$21,600
Tax Bracket 5	6.80%	\$14,400	\$19,200	\$28,800	\$38,400	\$21,600	\$28,800
Tax Bracket 6	7.20%	\$19,200	\$24,000	\$38,400	\$48,000	\$28,800	\$36,000
Tax Bracket 7	7.60%	\$24,000	\$36,000	\$48,000	\$72,000	\$36,000	\$54,000
Tax Bracket 8	7.90%	\$36,000	\$48,000	\$72,000	\$96,000	\$54,000	\$72,000
Tax Bracket 9	8.25%	\$48,000	\$150,000	\$96,000	\$300,000	\$72,000	\$225,000
Tax Bracket 10	9.00%	\$150,000	\$175,000	\$300,000	\$350,000	\$225,000	\$262,500
Tax Bracket 11	10.00%	\$175,000	\$200,000	\$350,000	\$400,000	\$262,500	\$300,000
Tax Bracket 12	11.00%	\$200,000		\$400,000		\$300,000	

## ACTUAL 2025-2026 TAX SCHEDULE - ACT 46

Tax Brackets	Marginal Tax Rate	Single/MFS Taxable Income		Joint/Widow(er) Taxable Inc.		Head of HH Taxable Income	
		Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)
Tax Bracket 1	1.40%		\$9,600		\$19,200		\$14,400
Tax Bracket 2	3.20%	\$9,600	\$14,400	\$19,200	\$28,800	\$14,400	\$21,600
Tax Bracket 3	5.50%	\$14,400	\$19,200	\$28,800	\$38,400	\$21,600	\$28,800
Tax Bracket 4	6.40%	\$19,200	\$24,000	\$38,400	\$48,000	\$28,800	\$36,000
Tax Bracket 5	6.80%	\$24,000	\$36,000	\$48,000	\$72,000	\$36,000	\$54,000
Tax Bracket 6	7.20%	\$36,000	\$48,000	\$72,000	\$96,000	\$54,000	\$72,000
Tax Bracket 7	7.60%	\$48,000	\$125,000	\$96,000	\$250,000	\$72,000	\$187,500
Tax Bracket 8	7.90%	\$125,000	\$175,000	\$250,000	\$350,000	\$187,500	\$262,500
Tax Bracket 9	8.25%	\$175,000	\$225,000	\$350,000	\$450,000	\$262,500	\$337,500
Tax Bracket 10	9.00%	\$225,000	\$275,000	\$450,000	\$550,000	\$337,500	\$412,500
Tax Bracket 11	10.00%	\$275,000	\$325,000	\$550,000	\$650,000	\$412,500	\$487,500
Tax Bracket 12	11.00%	\$325,000		\$650,000		\$487,500	



Tax Brackets	Marginal Tax Rate	Number of Resident Returns				23-24
		Single/MFS	Joint/Wid	HoH	TOTAL	% of Total
Tax Bracket 1	1.40%	79,385	39,417	6,432	125,234	19.4%
Tax Bracket 2	3.20%	13,546	5,392	2,529	21,467	3.3%
Tax Bracket 3	5.50%	23,984	10,590	5,390	39,964	6.2%
Tax Bracket 4	6.40%	20,934	10,719	5,705	37,358	5.8%
Tax Bracket 5	6.80%	18,457	10,927	6,786	36,170	5.6%
Tax Bracket 6	7.20%	18,156	10,532	7,447	36,135	5.6%
Tax Bracket 7	7.60%	47,206	25,933	15,055	88,194	13.7%
Tax Bracket 8	7.90%	42,344	25,424	8,600	76,368	11.8%
Tax Bracket 9	8.25%	86,332	67,253	10,660	164,245	25.5%
Tax Bracket 10	9.00%	2,313	2,477	211	5,001	0.8%
Tax Bracket 11	10.00%	1,344	1,711	122	3,177	0.5%
Tax Bracket 12	11.00%	4,690	6,220	408	11,318	1.8%
		358,691	216,595	69,345	644,631	100.0%

Tax Brackets	Marginal Tax Rate	Number of Resident Returns				25-26
		Single/MFS	Joint/Wid	HoH	TOTAL	% of Total
Tax Bracket 1	1.40%	116,915	55,399	14,351	186,665	29.0%
Tax Bracket 2	3.20%	20,934	10,719	5,705	37,358	5.8%
Tax Bracket 3	5.50%	18,457	10,927	6,786	36,170	5.6%
Tax Bracket 4	6.40%	18,156	10,532	7,447	36,135	5.6%
Tax Bracket 5	6.80%	47,206	25,933	15,055	88,194	13.7%
Tax Bracket 6	7.20%	42,344	25,424	8,600	76,368	11.8%
Tax Bracket 7	7.60%	81,496	62,727	10,323	154,546	24.0%
Tax Bracket 8	7.90%	7,149	7,003	548	14,700	2.3%
Tax Bracket 9	8.25%	2,177	2,919	220	5,316	0.8%
Tax Bracket 10	9.00%	1,091	1,439	96	2,626	0.4%
Tax Bracket 11	10.00%	663	945	62	1,670	0.3%
Tax Bracket 12	11.00%	2,103	2,628	152	4,883	0.8%
		358,691	216,595	69,345	644,631	100.0%

**2019-2024 TAX SCHEDULE**

Tax Brackets	Marginal Tax Rate	Single/MFS Taxable Income		Joint/Widow(er) Taxable Inc.		Head of HH Taxable Income	
		Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)
Tax Bracket 1	1.40%		\$2,400		\$4,800		\$3,600
Tax Bracket 2	3.20%	\$2,400	\$4,800	\$4,800	\$9,600	\$3,600	\$7,200
Tax Bracket 3	5.50%	\$4,800	\$9,600	\$9,600	\$19,200	\$7,200	\$14,400
Tax Bracket 4	6.40%	\$9,600	\$14,400	\$19,200	\$28,800	\$14,400	\$21,600
Tax Bracket 5	6.80%	\$14,400	\$19,200	\$28,800	\$38,400	\$21,600	\$28,800
Tax Bracket 6	7.20%	\$19,200	\$24,000	\$38,400	\$48,000	\$28,800	\$36,000
Tax Bracket 7	7.60%	\$24,000	\$36,000	\$48,000	\$72,000	\$36,000	\$54,000
Tax Bracket 8	7.90%	\$36,000	\$48,000	\$72,000	\$96,000	\$54,000	\$72,000
Tax Bracket 9	8.25%	\$48,000	\$150,000	\$96,000	\$300,000	\$72,000	\$225,000
Tax Bracket 10	9.00%	\$150,000	\$175,000	\$300,000	\$350,000	\$225,000	\$262,500
Tax Bracket 11	10.00%	\$175,000	\$200,000	\$350,000	\$400,000	\$262,500	\$300,000
Tax Bracket 12	11.00%	\$200,000		\$400,000		\$300,000	

**ACTUAL 2025-2026 TAX SCHEDULE - ACT 46**

Tax Brackets	Marginal Tax Rate	Single/MFS Taxable Income		Joint/Widow(er) Taxable Inc.		Head of HH Taxable Income	
		Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)
Tax Bracket 1	1.40%		\$9,600		\$19,200		\$14,400
Tax Bracket 2	3.20%	\$9,600	\$14,400	\$19,200	\$28,800	\$14,400	\$21,600
Tax Bracket 3	5.50%	\$14,400	\$19,200	\$28,800	\$38,400	\$21,600	\$28,800
Tax Bracket 4	6.40%	\$19,200	\$24,000	\$38,400	\$48,000	\$28,800	\$36,000
Tax Bracket 5	6.80%	\$24,000	\$36,000	\$48,000	\$72,000	\$36,000	\$54,000
Tax Bracket 6	7.20%	\$36,000	\$48,000	\$72,000	\$96,000	\$54,000	\$72,000
Tax Bracket 7	7.60%	\$48,000	\$125,000	\$96,000	\$250,000	\$72,000	\$187,500
Tax Bracket 8	7.90%	\$125,000	\$175,000	\$250,000	\$350,000	\$187,500	\$262,500
Tax Bracket 9	8.25%	\$175,000	\$225,000	\$350,000	\$450,000	\$262,500	\$337,500
Tax Bracket 10	9.00%	\$225,000	\$275,000	\$450,000	\$550,000	\$337,500	\$412,500
Tax Bracket 11	10.00%	\$275,000	\$325,000	\$550,000	\$650,000	\$412,500	\$487,500
Tax Bracket 12	11.00%	\$325,000		\$650,000		\$487,500	



Tax Brackets	Marginal Tax Rate	TY 2026 SYNTHETIC AFTER-CREDIT TAX LIABILITY					
		Residents	% of Total	Nonresidents	% of Total	Total	% of Total
Tax Bracket 1	1.40%	-\$22,364,645	-1.0%	-\$4,725,140	-2.3%	-\$27,089,785	-1.1%
Tax Bracket 2	3.20%	\$2,559,800	0.1%	\$984,572	0.5%	\$3,544,372	0.1%
Tax Bracket 3	5.50%	\$6,811,454	0.3%	\$1,300,563	0.6%	\$8,112,017	0.3%
Tax Bracket 4	6.40%	\$13,696,963	0.6%	\$1,749,145	0.9%	\$15,446,108	0.6%
Tax Bracket 5	6.80%	\$68,386,463	3.1%	\$5,166,000	2.5%	\$73,552,463	3.0%
Tax Bracket 6	7.20%	\$98,877,275	4.4%	\$5,836,469	2.9%	\$104,713,744	4.3%
Tax Bracket 7	7.60%	\$628,155,215	28.1%	\$31,856,755	15.6%	\$660,011,970	27.0%
Tax Bracket 8	7.90%	\$241,522,148	10.8%	\$13,459,097	6.6%	\$254,981,245	10.4%
Tax Bracket 9	8.25%	\$148,802,744	6.6%	\$10,220,901	5.0%	\$159,023,645	6.5%
Tax Bracket 10	9.00%	\$101,110,302	4.5%	\$8,772,936	4.3%	\$109,883,238	4.5%
Tax Bracket 11	10.00%	\$72,229,122	3.2%	\$7,955,738	3.9%	\$80,184,860	3.3%
Tax Bracket 12	11.00%	\$878,820,985	39.3%	\$121,848,540	59.6%	\$1,000,669,525	41.0%
		<b>\$2,238,607,826</b>	<b>100.0%</b>	<b>\$204,425,576</b>	<b>100.0%</b>	<b>\$2,443,033,402</b>	<b>100.0%</b>



**ACT 46, SLH 2024**  
**TAX YEAR 2027 (IF NO CHANGE IN POLICY)**

**Single Taxpayers and Married Filing Separate Returns**

Over (>)	But Not Over (<=)	Your tax is:	
	\$14,400	1.40%	
\$14,400	\$19,200	\$202 plus	3.20%
\$19,200	\$24,000	\$355 plus	5.50%
\$24,000	\$36,000	\$619 plus	6.40%
\$36,000	\$48,000	\$1,387 plus	6.80%
\$48,000	\$125,000	\$2,203 plus	7.20%
\$125,000	\$175,000	\$7,747 plus	7.60%
\$175,000	\$225,000	\$11,547 plus	7.90%
\$225,000	\$275,000	\$15,497 plus	8.25%
\$275,000	\$325,000	\$19,622 plus	9.00%
\$325,000	\$400,000	\$24,122 plus	10.00%
\$400,000		\$31,622 plus	11.00%

**FREEZE ABOVE \$175k-Single/\$350k-Joint @25 Rate**  
**TAX YEAR 2027 - Add New 13% Top Bracket**  
**Decrease Brackets 2 & 3 to 2.5% & 5%**

**Single Taxpayers and Married Filing Separate Returns**

Over (>)	But Not Over (<=)	Your tax is:	
	\$14,400	1.40%	
\$14,400	\$19,200	\$202 plus	2.50%
\$19,200	\$24,000	\$322 plus	5.00%
\$24,000	\$36,000	\$562 plus	6.40%
\$36,000	\$48,000	\$1,330 plus	6.80%
\$48,000	\$125,000	\$2,146 plus	7.20%
\$125,000	\$175,000	\$7,690 plus	7.60%
\$175,000	\$225,000	\$11,490 plus	8.25%
\$225,000	\$275,000	\$15,615 plus	9.00%
\$275,000	\$325,000	\$20,115 plus	10.00%
\$325,000	\$500,000	\$25,115 plus	11.00%
\$500,000		\$44,365 plus	13.00%

**Senate Bill 3125 became Act 24, SLH 2026 on May 21, 2026.**

**ACT 46, SLH 2024**  
**TAX YEAR 2029 (IF NO CHANGE IN POLICY)**

**Single Taxpayers and Married Filing Separate Returns**

Over (>)	But Not Over (<=)	Your tax is:	
	\$19,200	1.40%	
\$19,200	\$24,000	\$269 plus	3.20%
\$24,000	\$36,000	\$422 plus	5.50%
\$36,000	\$48,000	\$1,082 plus	6.40%
\$48,000	\$125,000	\$1,850 plus	6.80%
\$125,000	\$175,000	\$7,086 plus	7.20%
\$175,000	\$225,000	\$10,686 plus	7.60%
\$225,000	\$275,000	\$14,486 plus	7.90%
\$275,000	\$325,000	\$18,436 plus	8.25%
\$325,000	\$400,000	\$22,561 plus	9.00%
\$400,000	\$475,000	\$29,311 plus	10.00%
\$475,000		\$36,811 plus	11.00%

**FREEZE ABOVE \$175k-Single/\$350k-Joint @25 Rate**  
**TAX YEAR 2029 - Add New 13% Top Bracket**  
**Decrease Brackets 2 & 3 to 2.5% & 5%**

**Single Taxpayers and Married Filing Separate Returns**

Over (>)	But Not Over (<=)	Your tax is:	
	\$19,200	1.40%	
\$19,200	\$24,000	\$269 plus	2.50%
\$24,000	\$36,000	\$389 plus	5.00%
\$36,000	\$48,000	\$989 plus	6.40%
\$48,000	\$125,000	\$1,757 plus	6.80%
\$125,000	\$175,000	\$6,993 plus	7.20%
\$175,000	\$225,000	\$10,593 plus	8.25%
\$225,000	\$275,000	\$14,718 plus	9.00%
\$275,000	\$325,000	\$19,218 plus	10.00%
\$325,000	\$500,000	\$24,218 plus	11.00%
\$500,000		\$43,468 plus	13.00%

Filing Status Married Filing Jointly  
 Dependents (excluding spouse) 2  
 Income (Hawai'i AGI) \$88,000

Tax Year	Pre-Act 46-2024	Act 46-2024	Act 46 Tax Relief	Act 46 Tax Relief	SB 3125-2026	SB 3125 Tax Relief	SB 3125 Tax Relief
2024	\$5,086	\$4,738	\$348	6.8%	\$4,738	\$348	6.8%
2025	\$5,086	\$3,539	\$1,547	30.4%	\$3,539	\$1,547	30.4%
2026	\$5,086	\$3,039	\$2,047	40.2%	\$3,039	\$2,047	40.2%
2027	\$5,086	\$2,481	\$2,605	51.2%	\$2,366	\$2,720	53.5%
2028	\$5,086	\$2,353	\$2,733	53.7%	\$2,238	\$2,848	56.0%
2029	\$5,086	\$1,803	\$3,283	64.5%	\$1,649	\$3,437	67.6%
2030	\$5,086	\$1,693	\$3,393	66.7%	\$1,549	\$3,537	69.5%
2031	\$5,086	\$1,473	\$3,613	71.0%	\$1,349	\$3,737	73.5%
	<b>\$40,687</b>	<b>TOTAL</b>	<b>\$19,567</b>	<b>48.1%</b>		<b>\$20,219</b>	<b>49.7%</b>



Filing Status

Married Filing Jointly

Dependents (excluding spouse)

2

Income (Hawai'i AGI)

\$500,000

Tax Year	Pre-Act 46-2024	Act 46-2024	Act 46	Act 46	SB 3125	SB 3125	
			Tax Relief	Tax Relief	SB 3125-2026	Tax Relief	Tax Relief
2024	\$42,770	\$42,286	\$484	1.1%	\$42,286	\$484	1.1%
2025	\$42,770	\$36,228	\$6,541	15.3%	\$36,228	\$6,541	15.3%
2026	\$42,770	\$35,580	\$7,189	16.8%	\$35,580	\$7,189	16.8%
2027	\$42,770	\$33,421	\$9,348	21.9%	\$33,877	\$8,892	20.8%
2028	\$42,770	\$33,256	\$9,513	22.2%	\$33,697	\$9,072	21.2%
2029	\$42,770	\$31,139	\$11,630	27.2%	\$31,904	\$10,865	25.4%
2030	\$42,770	\$30,981	\$11,788	27.6%	\$31,724	\$11,045	25.8%
2031	\$42,770	\$30,665	\$12,104	28.3%	\$31,364	\$11,405	26.7%
<b>\$342,157</b>		<b>TOTAL</b>	<b>\$68,599</b>	<b>20.0%</b>		<b>\$65,496</b>	<b>19.1%</b>



**Filing Status** Married Filing Jointly  
**Dependents (excluding spouse)** 2  
**Income (Hawai'i AGI)** \$1,500,000

Tax Year	Pre-Act 46-2024	Act 46-2024	Act 46 Tax Relief	Act 46 Tax Relief	SB 3125-2026	SB 3125 Tax Relief	SB 3125 Tax Relief
2024	\$152,770	\$152,286	\$484	0.3%	\$152,286	\$484	0.3%
2025	\$152,770	\$143,961	\$8,809	5.8%	\$143,961	\$8,809	5.8%
2026	\$152,770	\$143,169	\$9,601	6.3%	\$143,169	\$9,601	6.3%
2027	\$152,770	\$137,981	\$14,789	9.7%	\$151,054	\$1,716	1.1%
2028	\$152,770	\$137,761	\$15,009	9.8%	\$150,794	\$1,976	1.3%
2029	\$152,770	\$131,640	\$21,130	13.8%	\$149,001	\$3,769	2.5%
2030	\$152,770	\$131,420	\$21,350	14.0%	\$148,741	\$4,029	2.6%
2031	\$152,770	\$130,980	\$21,790	14.3%	\$148,221	\$4,549	3.0%
	<b>\$1,222,157</b>	<b>TOTAL</b>	<b>\$112,962</b>	<b>9.2%</b>		<b>\$34,931</b>	<b>2.9%</b>



Filing Status

Married Filing Jointly

Dependents (excluding spouse)

2

Income (Hawai'i AGI)

\$10,000,000

Tax Year	Pre-Act 46-2024	Act 46-2024	Act 46 Tax Relief	Act 46 Tax Relief	SB 3125-2026	SB 3125 Tax Relief	SB 3125 Tax Relief
2024	\$1,087,770	\$1,087,286	\$484	0.0%	\$1,087,286	\$484	0.0%
2025	\$1,087,770	\$1,078,961	\$8,809	0.8%	\$1,078,961	\$8,809	0.8%
2026	\$1,087,770	\$1,078,169	\$9,601	0.9%	\$1,078,169	\$9,601	0.9%
2027	\$1,087,770	\$1,072,981	\$14,789	1.4%	\$1,256,054	-\$168,284	-15.5%
2028	\$1,087,770	\$1,072,761	\$15,009	1.4%	\$1,255,794	-\$168,024	-15.4%
2029	\$1,087,770	\$1,066,640	\$21,130	1.9%	\$1,254,001	-\$166,231	-15.3%
2030	\$1,087,770	\$1,066,420	\$21,350	2.0%	\$1,253,741	-\$165,971	-15.3%
2031	\$1,087,770	\$1,065,980	\$21,790	2.0%	\$1,253,221	-\$165,451	-15.2%
	<b>\$8,702,157</b>	<b>TOTAL</b>	<b>\$112,962</b>	<b>1.3%</b>		<b>-\$815,069</b>	<b>-9.4%</b>



Tax Brackets	Marginal Tax Rate	Number of Resident Returns				23-24
		Single/MFS	Joint/Wid	HoH	TOTAL	% of Total
Tax Bracket 1	1.40%	79,385	39,417	6,432	125,234	19.4%
Tax Bracket 2	3.20%	13,546	5,392	2,529	21,467	3.3%
Tax Bracket 3	5.50%	23,984	10,590	5,390	39,964	6.2%
Tax Bracket 4	6.40%	20,934	10,719	5,705	37,358	5.8%
Tax Bracket 5	6.80%	18,457	10,927	6,786	36,170	5.6%
Tax Bracket 6	7.20%	18,156	10,532	7,447	36,135	5.6%
Tax Bracket 7	7.60%	47,206	25,933	15,055	88,194	13.7%
Tax Bracket 8	7.90%	42,344	25,424	8,600	76,368	11.8%
Tax Bracket 9	8.25%	86,332	67,253	10,660	164,245	25.5%
Tax Bracket 10	9.00%	2,313	2,477	211	5,001	0.8%
Tax Bracket 11	10.00%	1,344	1,711	122	3,177	0.5%
Tax Bracket 12	11.00%	4,690	6,220	408	11,318	1.8%
		358,691	216,595	69,345	644,631	100.0%

Tax Brackets	Marginal Tax Rate	Number of Resident Returns				25-26
		Single/MFS	Joint/Wid	HoH	TOTAL	% of Total
Tax Bracket 1	1.40%	116,915	55,399	14,351	186,665	29.0%
Tax Bracket 2	3.20%	20,934	10,719	5,705	37,358	5.8%
Tax Bracket 3	5.50%	18,457	10,927	6,786	36,170	5.6%
Tax Bracket 4	6.40%	18,156	10,532	7,447	36,135	5.6%
Tax Bracket 5	6.80%	47,206	25,933	15,055	88,194	13.7%
Tax Bracket 6	7.20%	42,344	25,424	8,600	76,368	11.8%
Tax Bracket 7	7.60%	81,496	62,727	10,323	154,546	24.0%
Tax Bracket 8	7.90%	7,149	7,003	548	14,700	2.3%
Tax Bracket 9	8.25%	2,177	2,919	220	5,316	0.8%
Tax Bracket 10	9.00%	1,091	1,439	96	2,626	0.4%
Tax Bracket 11	10.00%	663	945	62	1,670	0.3%
Tax Bracket 12	11.00%	2,103	2,628	152	4,883	0.8%
		358,691	216,595	69,345	644,631	100.0%

**2019-2024 TAX SCHEDULE**

Tax Brackets	Marginal Tax Rate	Single/MFS Taxable Income		Joint/Widow(er) Taxable Inc.		Head of HH Taxable Income	
		Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)
Tax Bracket 1	1.40%		\$2,400		\$4,800		\$3,600
Tax Bracket 2	3.20%	\$2,400	\$4,800	\$4,800	\$9,600	\$3,600	\$7,200
Tax Bracket 3	5.50%	\$4,800	\$9,600	\$9,600	\$19,200	\$7,200	\$14,400
Tax Bracket 4	6.40%	\$9,600	\$14,400	\$19,200	\$28,800	\$14,400	\$21,600
Tax Bracket 5	6.80%	\$14,400	\$19,200	\$28,800	\$38,400	\$21,600	\$28,800
Tax Bracket 6	7.20%	\$19,200	\$24,000	\$38,400	\$48,000	\$28,800	\$36,000
Tax Bracket 7	7.60%	\$24,000	\$36,000	\$48,000	\$72,000	\$36,000	\$54,000
Tax Bracket 8	7.90%	\$36,000	\$48,000	\$72,000	\$96,000	\$54,000	\$72,000
Tax Bracket 9	8.25%	\$48,000	\$150,000	\$96,000	\$300,000	\$72,000	\$225,000
Tax Bracket 10	9.00%	\$150,000	\$175,000	\$300,000	\$350,000	\$225,000	\$262,500
Tax Bracket 11	10.00%	\$175,000	\$200,000	\$350,000	\$400,000	\$262,500	\$300,000
Tax Bracket 12	11.00%	\$200,000		\$400,000		\$300,000	

**ACTUAL 2025-2026 TAX SCHEDULE - ACT 46**

Tax Brackets	Marginal Tax Rate	Single/MFS Taxable Income		Joint/Widow(er) Taxable Inc.		Head of HH Taxable Income	
		Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)
Tax Bracket 1	1.40%		\$9,600		\$19,200		\$14,400
Tax Bracket 2	3.20%	\$9,600	\$14,400	\$19,200	\$28,800	\$14,400	\$21,600
Tax Bracket 3	5.50%	\$14,400	\$19,200	\$28,800	\$38,400	\$21,600	\$28,800
Tax Bracket 4	6.40%	\$19,200	\$24,000	\$38,400	\$48,000	\$28,800	\$36,000
Tax Bracket 5	6.80%	\$24,000	\$36,000	\$48,000	\$72,000	\$36,000	\$54,000
Tax Bracket 6	7.20%	\$36,000	\$48,000	\$72,000	\$96,000	\$54,000	\$72,000
Tax Bracket 7	7.60%	\$48,000	\$125,000	\$96,000	\$250,000	\$72,000	\$187,500
Tax Bracket 8	7.90%	\$125,000	\$175,000	\$250,000	\$350,000	\$187,500	\$262,500
Tax Bracket 9	8.25%	\$175,000	\$225,000	\$350,000	\$450,000	\$262,500	\$337,500
Tax Bracket 10	9.00%	\$225,000	\$275,000	\$450,000	\$550,000	\$337,500	\$412,500
Tax Bracket 11	10.00%	\$275,000	\$325,000	\$550,000	\$650,000	\$412,500	\$487,500
Tax Bracket 12	11.00%	\$325,000		\$650,000		\$487,500	



## 2027-2028 TAX SCHEDULE - ACT 24, SLH 2026 (SENATE BILL 3125)

Tax Brackets	Marginal Tax Rate	Single/MFS Taxable Income		Joint/Widow(er) Taxable Inc.		Head of HH Taxable Income	
		Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)
Tax Bracket 1	1.40%		\$14,400		\$28,800		\$21,600
Tax Bracket 2	2.50%	\$14,400	\$19,200	\$28,800	\$38,400	\$21,600	\$28,800
Tax Bracket 3	5.00%	\$19,200	\$24,000	\$38,400	\$48,000	\$28,800	\$36,000
Tax Bracket 4	6.40%	\$24,000	\$36,000	\$48,000	\$72,000	\$36,000	\$54,000
Tax Bracket 5	6.80%	\$36,000	\$48,000	\$72,000	\$96,000	\$54,000	\$72,000
Tax Bracket 6	7.20%	\$48,000	\$125,000	\$96,000	\$250,000	\$72,000	\$187,500
Tax Bracket 7	7.60%	\$125,000	\$175,000	\$250,000	\$350,000	\$187,500	\$262,500
Tax Bracket 8	8.25%	\$175,000	\$225,000	\$350,000	\$450,000	\$262,500	\$337,500
Tax Bracket 9	9.00%	\$225,000	\$275,000	\$450,000	\$550,000	\$337,500	\$412,500
Tax Bracket 10	10.00%	\$275,000	\$325,000	\$550,000	\$650,000	\$412,500	\$487,500
Tax Bracket 11	11.00%	\$325,000	\$500,000	\$650,000	\$1,000,000	\$487,500	\$750,000
Tax Bracket 12	13.00%	\$500,000		\$1,000,000		\$750,000	

Tax Brackets	Marginal Tax Rate	Number of Resident Returns				27-28
		Single/MFS	Joint/Wid	HoH	TOTAL	% of Total
Tax Bracket 1	1.40%	137,849	66,118	20,056	224,023	34.8%
Tax Bracket 2	2.50%	18,457	10,927	6,786	36,170	5.6%
Tax Bracket 3	5.00%	18,156	10,532	7,447	36,135	5.6%
Tax Bracket 4	6.40%	47,206	25,933	15,055	88,194	13.7%
Tax Bracket 5	6.80%	42,344	25,424	8,600	76,368	11.8%
Tax Bracket 6	7.20%	81,496	62,727	10,323	154,546	24.0%
Tax Bracket 7	7.60%	7,149	7,003	548	14,700	2.3%
Tax Bracket 8	8.25%	2,177	2,919	220	5,316	0.8%
Tax Bracket 9	9.00%	1,091	1,439	96	2,626	0.4%
Tax Bracket 10	10.00%	663	945	62	1,670	0.3%
Tax Bracket 11	11.00%	1,076	1,427	81	2,584	0.4%
Tax Bracket 12	13.00%	1,027	1,201	71	2,299	0.4%
		<b>358,691</b>	<b>216,595</b>	<b>69,345</b>	<b>644,631</b>	<b>100.0%</b>



## 2029-THEREAFTER TAX SCHEDULE - ACT 24, SLH 2026 (SENATE BILL 3125)

Tax Brackets	Marginal Tax Rate	Single/MFS Taxable Income		Joint/Widow(er) Taxable Inc.		Head of HH Taxable Income	
		Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)
Tax Bracket 1	1.40%		\$19,200		\$38,400		\$28,800
Tax Bracket 2	2.50%	\$19,200	\$24,000	\$38,400	\$48,000	\$28,800	\$36,000
Tax Bracket 3	5.00%	\$24,000	\$36,000	\$48,000	\$72,000	\$36,000	\$54,000
Tax Bracket 4	6.40%	\$36,000	\$48,000	\$72,000	\$96,000	\$54,000	\$72,000
Tax Bracket 5	6.80%	\$48,000	\$125,000	\$96,000	\$250,000	\$72,000	\$187,500
Tax Bracket 6	7.20%	\$125,000	\$175,000	\$250,000	\$350,000	\$187,500	\$262,500
Tax Bracket 7	8.25%	\$175,000	\$225,000	\$350,000	\$450,000	\$262,500	\$337,500
Tax Bracket 8	9.00%	\$225,000	\$275,000	\$450,000	\$550,000	\$337,500	\$412,500
Tax Bracket 9	10.00%	\$275,000	\$325,000	\$550,000	\$650,000	\$412,500	\$487,500
Tax Bracket 10	11.00%	\$325,000	\$500,000	\$650,000	\$1,000,000	\$487,500	\$750,000
Tax Bracket 11	13.00%	\$500,000		\$1,000,000		\$750,000	

Tax Brackets	Marginal Tax Rate	Number of Resident Returns				2029
		Single/MFS	Joint/Wid	HoH	TOTAL	% of Total
Tax Bracket 1	1.40%	156,306	77,045	26,842	260,193	40.4%
Tax Bracket 2	2.50%	18,156	10,532	7,447	36,135	5.6%
Tax Bracket 3	5.00%	47,206	25,933	15,055	88,194	13.7%
Tax Bracket 4	6.40%	42,344	25,424	8,600	76,368	11.8%
Tax Bracket 5	6.80%	81,496	62,727	10,323	154,546	24.0%
Tax Bracket 6	7.20%	7,149	7,003	548	14,700	2.3%
Tax Bracket 7	8.25%	2,177	2,919	220	5,316	0.8%
Tax Bracket 8	9.00%	1,091	1,439	96	2,626	0.4%
Tax Bracket 9	10.00%	663	945	62	1,670	0.3%
Tax Bracket 10	11.00%	1,076	1,427	81	2,584	0.4%
Tax Bracket 11	13.00%	1,027	1,201	71	2,299	0.4%
		<b>358,691</b>	<b>216,595</b>	<b>69,345</b>	<b>644,631</b>	<b>100.0%</b>



Act Number	General Fund Revenue Gain (or Loss)							
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Act 46, SLH 2024	(\$240.3)	(\$596.6)	(\$740.1)	(\$922.7)	(\$1,052.6)	(\$1,262.3)	(\$1,347.5)	(\$1,453.2)

	FY2028	FY2029	FY2030	FY2031	FY2032
<b>Impact of Brackets 2 &amp; 3 Decreasing</b>	-19.6	-19.7	-14.9	-14.5	-13.1
<b>Impact of Adding Top 13% Bracket</b>	106.3	110.4	114.3	118.2	122.2
<b>NET EFFECT. Repeal of Tax Bracket Expansions in TY 2027 &amp; TY 2029 for Taxable Income &gt; \$175,000-Single/\$262,000-Head of Household/\$350,000-Joint. SD increases of Act 46 intact. Brackets 2-3 Decreased to 2.5% and 5%. New Top 13% Bracket Added \$500k-Single/\$1M-Joint</b>	<b>86.7</b>	<b>90.7</b>	<b>99.4</b>	<b>103.7</b>	<b>109.2</b>



<b>Estimated Total Revenue Impact (\$ Millions)</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>	<b>FY2032</b>
<b>Tax Bracket/Tax Rate Changes</b>						
Repeal of Tax Bracket Expansions in TY 2027 & TY 2029 for Taxable Income > \$175,000- Single/\$262,000-Head of Household/\$350,000- Joint. SD increases of Act 46 intact. Brackets 2-3 Decreased to 2.5% and 5%. New Top 13% Bracket Added \$500k-Single/\$1M-Joint		86.7	90.7	99.4	103.7	109.2
<b>Tax Credit Sunset/Repeal</b>						
Renewable Energy Technologies Income Tax Credit Phaseout (\$40M Aggregate Cap CY 2027- 2030) and Sunset in CY2031	72.4	76.8	81.4	86.1	131.1	136.3
Capital Goods Excise Tax Credit Sunset			42.0	43.6	45.3	47.1
Renewable Fuels Production Tax Credit Sunset				0.5	0.5	0.6
High Technology Business Investment Tax Credit Repeal			3.7	3.8	4.0	4.1
Technology Infrastructure Renovation Tax Credit Repeal		0.04	0.04	0.04	0.04	0.05
Tax Credit for Research Activities Changes			5.0			
<b>NET REVENUE IMPACT</b>	<b>72.4</b>	<b>163.5</b>	<b>222.7</b>	<b>233.5</b>	<b>284.7</b>	<b>297.3</b>



**DISTRIBUTION OF TAX CREDITS IN TAX YEARS 2016 - 2023**

Type of Credit	2016			2017			2018			2019		
	Amount (in \$1,000)	% of Total	# of Claims	Amount (in \$1,000)	% of Total	# of Claims	Amount (in \$1,000)	% of Total	# of Claims	Amount (in \$1,000)	% of Total	# of Claims
<b>Total, All Tax Credits</b>	\$289,112	100.0	335,273	\$321,016	100.0	323,881	\$341,928	100.0	366,066	\$300,563	100.0	371,913
<b>Active Tax Credits</b>												
<b>Tax Credits to Encourage Certain Industries or Economic Activities</b>												
Renewable Energy Technologies Income Tax Credit	\$85,799	29.7	11,526	\$83,143	25.9	8,608	\$70,497	20.6	7,436	\$60,313	20.1	9,036
Tax Credit for Research Activities	\$3,102	1.1	58	\$2,507	0.8	54	\$2,373	0.7	54	\$3,769	1.3	52
Renewable Fuels Production Tax Credit	<i>na</i>	<i>na</i>	<i>na</i>	<i>d</i>	<i>d</i>	<i>d</i>	\$330	0.1	18	\$314	0.1	20
<b>Tax Credits to Avoid Double Taxation or Pyramiding of Taxes</b>												
Capital Goods Excise Tax Credit	\$34,715	12.0	4,161	\$29,335	9.1	4,060	\$34,080	10.0	4,349	\$37,671	12.5	4,409
<b>Expired Tax Credits</b>												
<b>Tax Credits to Encourage Certain Industries or Economic Activities</b>												
High Technology Business Investment Tax Credit	\$16,331	5.6	411	\$17,544	5.5	330	\$12,344	3.6	258	\$13,322	4.4	231
Technology Infrastructure Renovation Tax Credit	<i>d</i>	<i>d</i>	<i>d</i>	<i>d</i>	<i>d</i>	<i>d</i>	<i>d</i>	<i>d</i>	<i>d</i>	\$11	0.0	6

\* Data for the energy conservation tax credit are included with those for the renewable energy tax credit.

Notes: "d" denotes that data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information. "na" denotes "not applicable."

**DISTRIBUTION OF TAX CREDITS IN TAX YEARS 2016 - 2023 (CONT.)**

Type of Credit	2020			2021			2022			2023		
	Amount (in \$1,000)	% of Total	# of Claims	Amount (in \$1,000)	% of Total	# of Claims	Amount (in \$1,000)	% of Total	# of Claims	Amount (in \$1,000)	% of Total	# of Claims
<b>Total, All Tax Credits</b>	\$370,241	100.0	377,882	\$429,951	100.0	367,189	\$443,901	100	331,767	\$621,270	100.0	400,382
<b>Active Tax Credits</b>												
<b>Tax Credits to Encourage Certain Industries or Economic Activities</b>												
Renewable Energy Technologies Income Tax Credit	\$112,611	30.4	9,088	\$67,317	15.7	9,313	\$105,764	13	10,168	\$100,075	16.1	10,799
Tax Credit for Research Activities	\$5,147	1.4	27	\$3,482	0.8	17	\$4,109	1	15	\$7,034	1.1	27
Renewable Fuels Production Tax Credit	\$348	0.1	15	\$522	0.1	16	\$416	0	23	\$69	0.0	13
<b>Tax Credits to Avoid Double Taxation or Pyramiding of Taxes</b>												
Capital Goods Excise Tax Credit	\$33,690	9.1	4,047	\$29,305	6.8	4,306	\$32,077	8	4,324	\$34,608	5.6	3,932
<b>Expired Tax Credits</b>												
<b>Tax Credits to Encourage Certain Industries or Economic Activities</b>												
High Technology Business Investment Tax Credit	\$15,491	4.2	179	\$6,588	1.5	166	\$3,511	1	141	\$3,022	0.5	114
Technology Infrastructure Renovation Tax Credit	\$75	0.0	6	<i>d</i>	<i>d</i>	<i>d</i>	<i>d</i>	<i>d</i>	<i>d</i>	<i>d</i>	<i>d</i>	<i>d</i>

\* Data for the energy conservation tax credit are included with those for the renewable energy tax credit.

Notes: "d" denotes that data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information. "na" denotes "not applicable."

# OTHER RELEVANT LEGISLATIVE TAX BILLS

- **SENATE BILL 2580** (RELATING TO THE MOTION PICTURE, DIGITAL MEDIA, AND FILM PRODUCTION INCOME TAX CREDIT)
  - Increases individual per-production tax credit cap amount to \$20 million (from \$17 million)
  - Increases the aggregate tax to \$60 million (from \$50 million)
- **HOUSE BILL 1920** (RELATING TO THE LOW-INCOME HOUSING TAX CREDIT)
  - Clarifies that, for tax credits issued after July 1, 2026, a partner or member that is a partnership or limited liability company that has been allocated a low-income housing tax credit may either further allocate the credit or transfer, sell, or assign all or a portion of the credit to any taxpayer
  - intended to improve upon the existing tax credit program by clarifying and expanding the flexibility of credit allocation and transfer, which is seen necessary to attract additional investment into affordable housing projects



# OTHER RELEVANT LEGISLATIVE TAX BILLS

- **HOUSE BILL 2329** (A BILL FOR AN ACT RELATING TO CONFORMITY TO THE INTERNAL REVENUE CODE)
  - Amends Hawaii’s income and estate and generation-skipping transfer tax laws to partially conform to changes made to the Internal Revenue Code in calendar year 2025.

OBBB Section	Topic	IRC Section	Description
<b>Individual Provisions</b>			
70109	Casualty Loss Deduction	165(h)(5)	Permanently disallows personal casualty loss deductions except those attributable to federal or state declared disasters.
70110	Miscellaneous Itemized Deductions	67(b); 67(g)	Permanently disallows miscellaneous itemized deductions. Allows a deduction for certain unreimbursed educator expenses.
70112	Qualified Transportation Fringe Benefits	132(f)	Permanently disallows the gross income exclusion for qualified bicycle commuting reimbursement.
70114	Wagering Losses	165(d)	Limits deduction for wagering losses to 90% of amount of losses (still limited to extent of gains). Permanently extends provision that wagering losses include otherwise allowable deductions incurred in carrying out wagering transactions.



# OTHER RELEVANT LEGISLATIVE TAX BILLS

- **HOUSE BILL 2329 (IRS CONFORMITY)**

OB BB Section	Topic	IRC Section	Description
<b>Individual Provisions</b>			
<b>70424</b>	Charitable Deductions for Non-Itemizers	170(p)	Reinstates the charitable deduction for individuals that do not itemize deductions and increases the maximum allowed from \$300 (\$600 joint) to \$1,000 (\$2,000 joint).
<b>70425</b>	Charitable Deduction Floor for Individuals	170(b)(1)(I); 170(d)(1)(C); 170(b)(1)(G)	Limits itemized charitable deduction for individuals to the extent that aggregate contributions exceed 0.5% of the taxpayer's contribution base for the tax year. Annual contributions not exceeding the 0.5% floor may be carried forward only in a year in which the floor is exceeded. Makes permanent the 60% limit on cash contributions.



# OTHER RELEVANT LEGISLATIVE TAX BILLS

- **HOUSE BILL 2329 (IRS CONFORMITY)**

OBBB Section	Topic	IRC Section	Description
<b>Individual Provisions</b>			
70201	Deduction for Tip Income	224; 63(b)	Creates deduction up to \$25,000 for qualified tips, with phase-out reduction of \$100 for each \$1,000 that modified adjusted gross income (AGI) exceeds \$150,000 (\$300,000 joint). Allows deduction to individuals who do not itemize. Sunsets 12/31/28.
70204	Trump Accounts	530A; 128; 139J	Creates tax-exempt Trump accounts, treated similar to IRAs, for qualifying children under age 18. The accounts have an annual contribution limit of \$5,000, subject to exemptions and indexed for inflation. Up to \$2,500 of employer contributions are excluded from the employee's gross income, indexed for inflation. Qualified general contributions are excluded from the account beneficiary's gross income.
70404	Dependent Care Assistance Program	129(a)(2)(A)	Increases the maximum gross income exclusion from \$5,000 to \$7,500 (joint) and from \$2,500 to \$3,750 (married filing separate (MFS)).



# OTHER RELEVANT LEGISLATIVE TAX BILLS

- **HOUSE BILL 2329 (IRS CONFORMITY)**

Corporate and Business Provisions			
<b>Limitation on Business Interest</b>	163(j)(8)(A)(v); 163(j)(9)(C)	For purposes of the deduction for business interest, which is limited to the sum of business interest income plus 30 percent of adjusted taxable income (ATI) plus floor plan financing interest, makes permanent the computation of ATI without regard for the deduction for depreciation, amortization, or depletion. Adds recreational, camping, or seasonal use trailers or campers to the definition of motor vehicles eligible for floor plan financing interest.	
<b>Limitations on Deduction for Business Meals</b>	274(o); 274(n)(2)(C)	Provides exception from the disallowance for expenses for employer-operated eating facility for meals provided to customers as part of a bona fide (adequate payment/consideration) sale of goods or services. Excludes meals provided on certain fishing boats and at certain fish processing facilities from deduction limitation.	
<b>Coordination of Business Interest Limitation with Interest Capitalization Provisions</b>	163(j)(10); 163(j)(5)	Requires that the business interest limitation is calculated before any interest is capitalized. Carryforward interest is decoupled from the interest capitalization provisions.	



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