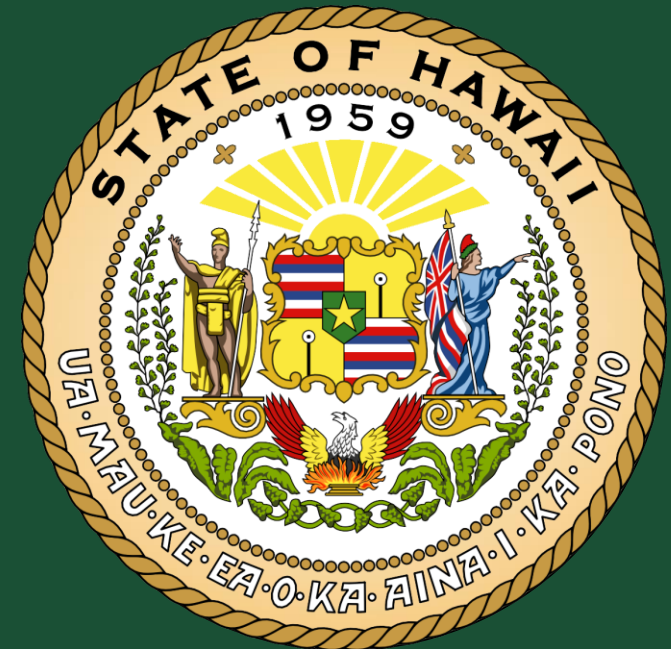


# Green Affordability Plan II: Addressing Cost-of-Living

*Gov. Green Signs Largest Income Tax Cut in State History*

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Governor Josh Green, M.D.  
State of Hawai'i

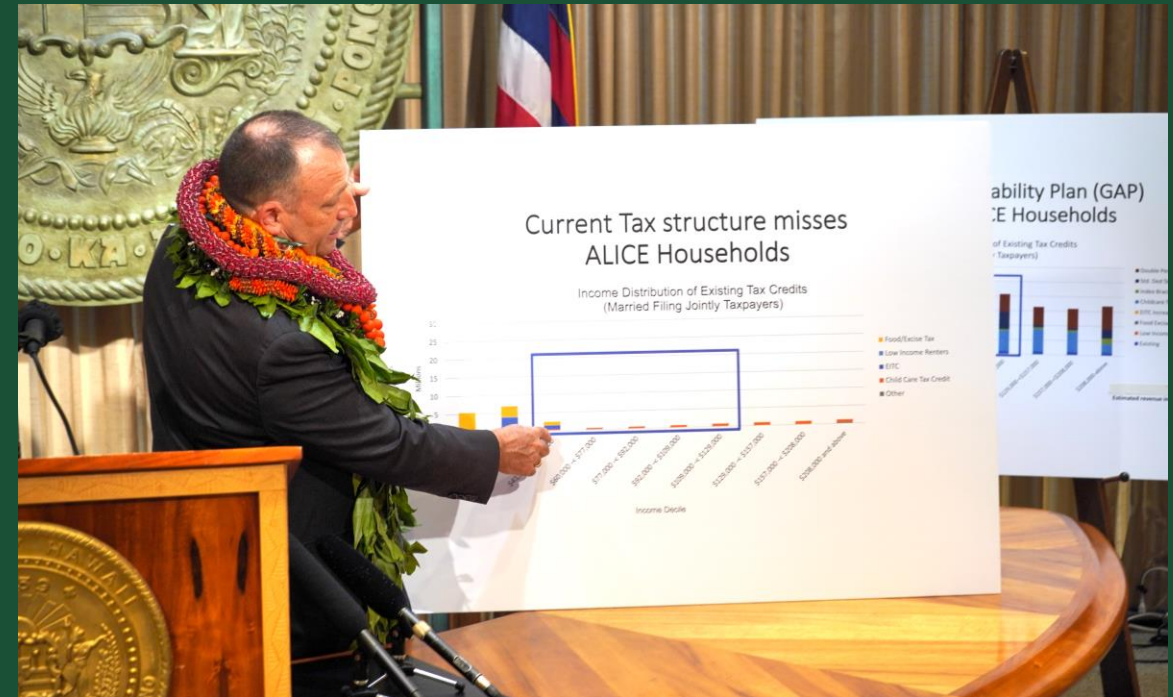


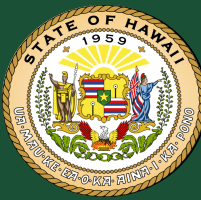
June 3rd, 2024

# The Green Affordability Plan (GAP)



- ✓ GAP II will build on our GAP I progress
  - ✓ Greatly expanded the dependent tax credit
  - ✓ Doubled EITC and food excise tax credit
- ✓ HB2404: largest tax cut for working families in state history
- ✓ SB1035: GET exemption on certain medical services (Medicare, Medicaid, TRICARE)





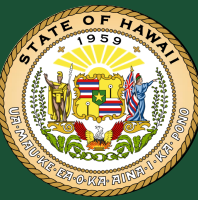
# A Partnership with the Legislature, GAP II will Provide Historic Tax Relief

✓ Greatly increases the standard deduction and indexes tax-brackets to inflation

✓ Take-home pay will increase for working families by thousands of dollars a year

	GAP II Impact							
	Before GAP II	2025	2026	2027	2028	2029	2030	2031
Standard deduction — single	<b>\$2,200</b>	\$4,400	\$8,000	\$8,000	\$9,000	\$9,000	\$10,000	\$12,000
Take-home pay increase — person making \$75K	-	+\$995	+1,268	+1,676	+1,748	+2,168	+2,168	+\$2,372
Take-home pay increase — married couple making \$150K with 2 dependents	-	+\$1,975	+2,523	+3,328	+3,472	+4,304	+4,400	+\$4,712

# HB2404 is Historic Income Tax Reform



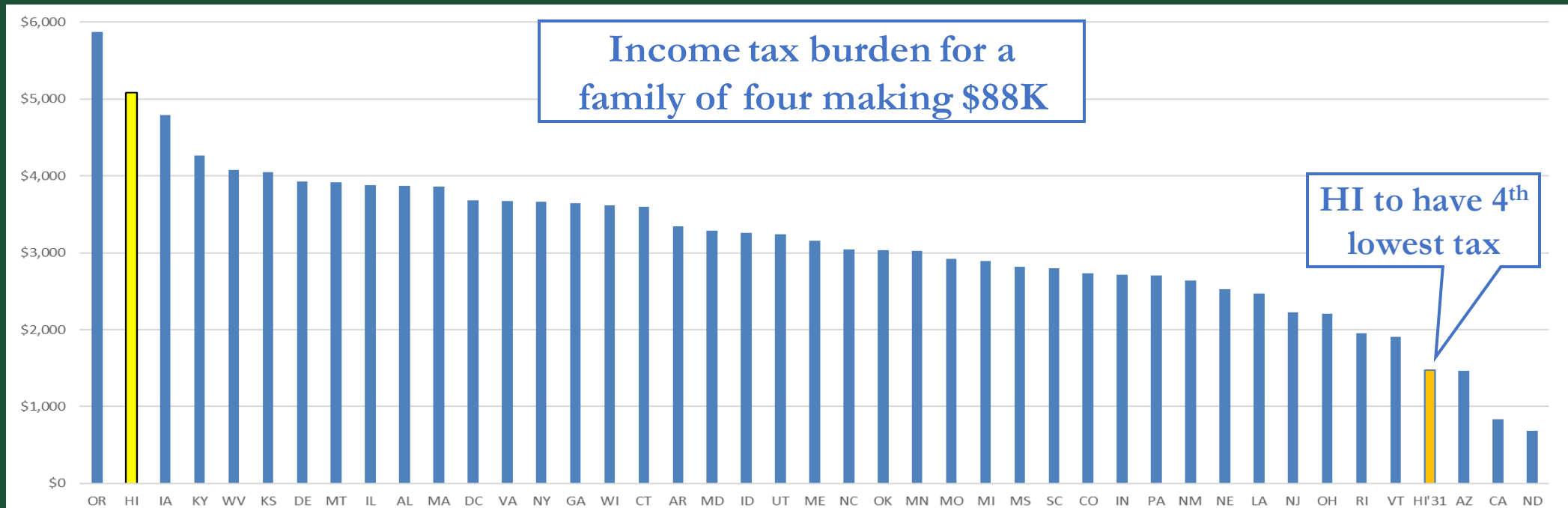
**\$5.6B** in tax reductions  
for Hawai'i  
residents by 2031

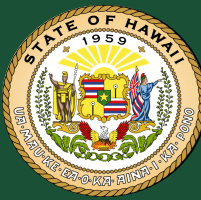
**70%+**

decrease in income  
tax for working-  
class families



By 2031, ~40% of taxpayers will pay **ZERO** state income tax

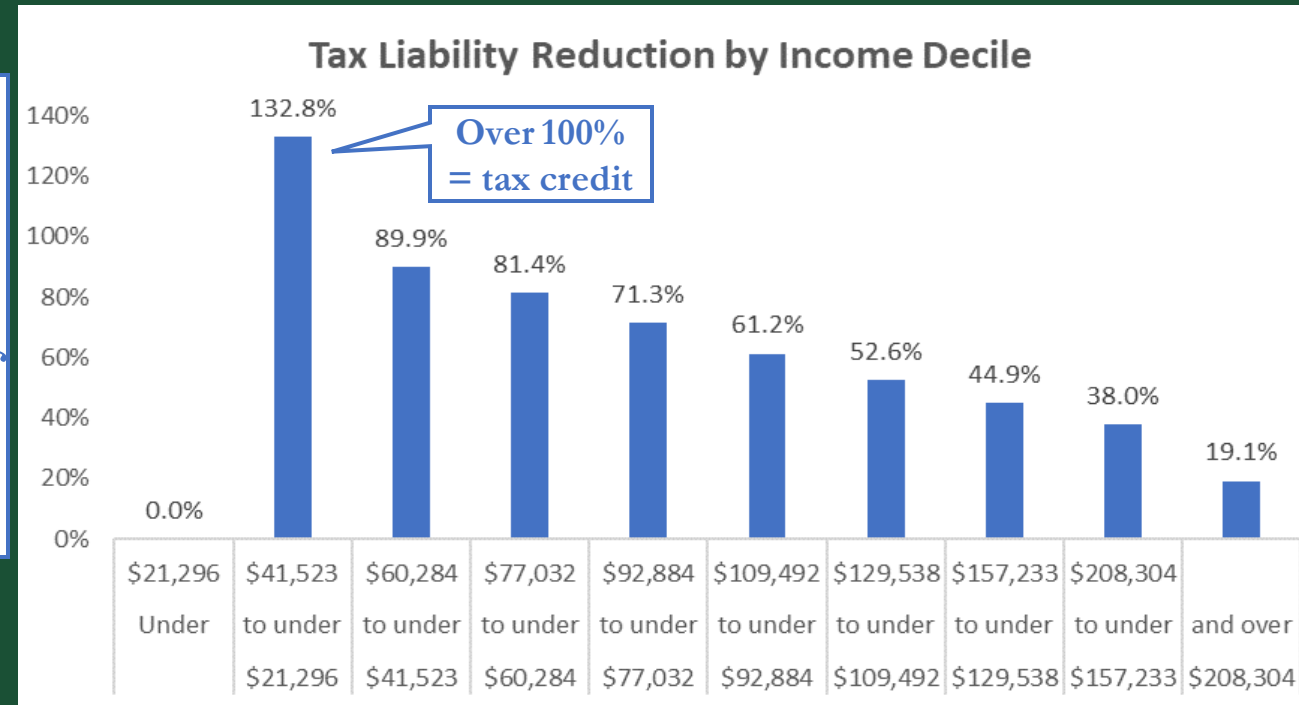




# GAP II is Progressive and Focuses on Working Families and ALICE Households

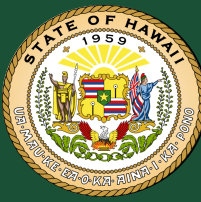
- ✓ Transforms tax burdens to tax credits
- ✓ Tax impact will focus on working families
- ✓ High-income taxpayers will pay a larger share of the state's income tax

Liability reduction



Income decile

# SB1035: GET Exemptions on Medical Care



Major impact  
for our  
healthcare  
providers,  
systems, and  
communities



- ✓ Exempts medical care under Medicare, Medicaid, and TRICARE
- ✓ Removes unfair tax burdens and increases healthcare access
- ✓ Promotes care for rural and vulnerable communities





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**Mahalo nui!**

