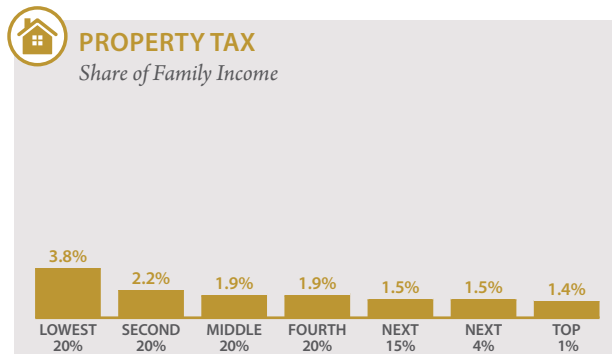
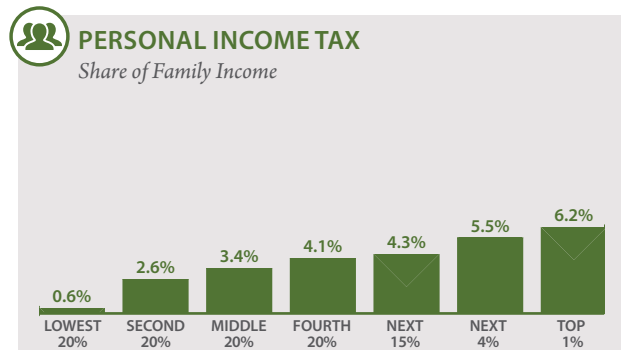
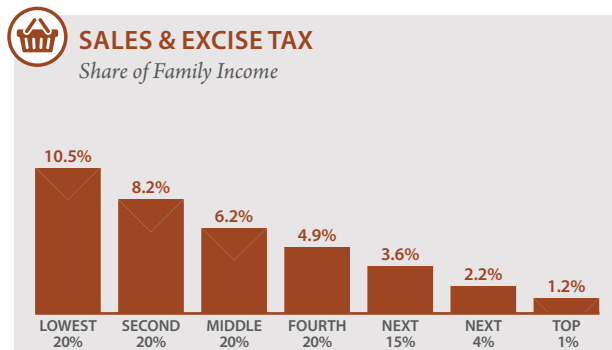
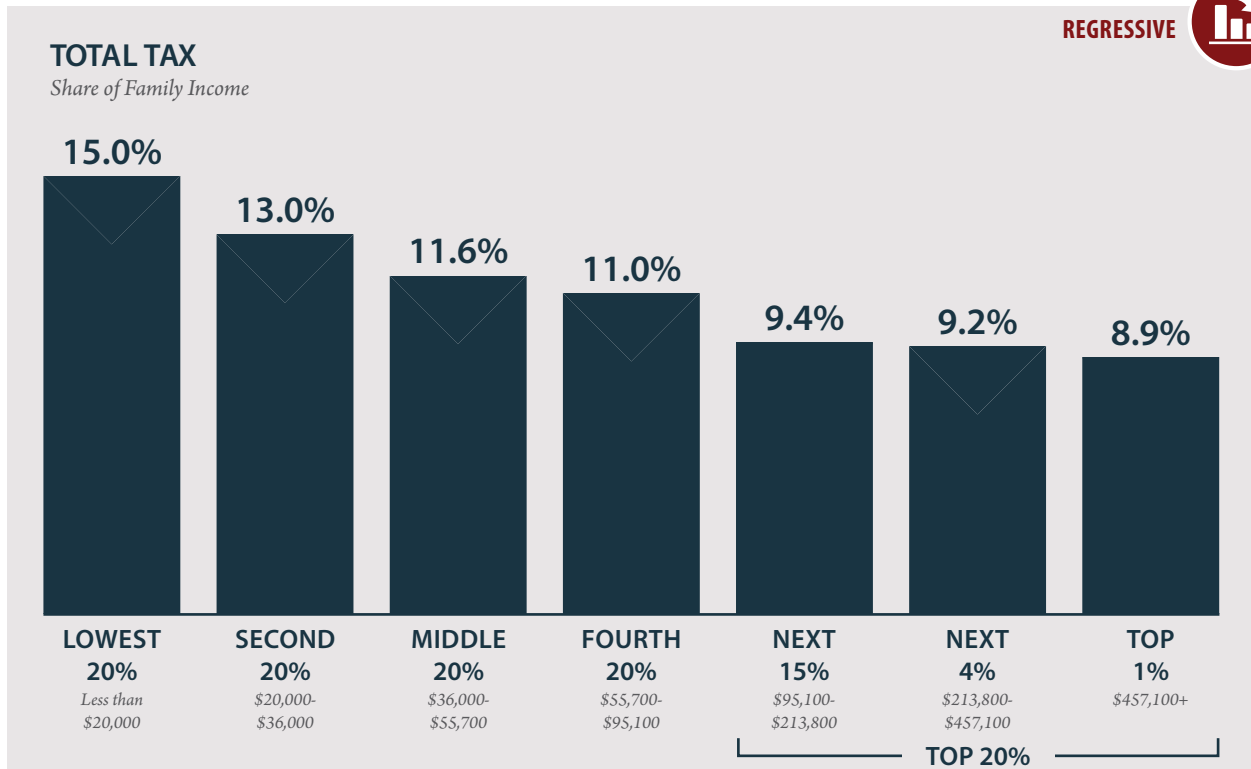


HAWAII

STATE AND LOCAL TAX SHARES OF FAMILY INCOME for non-elderly taxpayers







NOTE:

Figures show permanent law in Hawaii enacted through September 10, 2018 at 2015 income levels, along with the state's temporary EITC that is set to expire December 31, 2022. Top figure represents total state and local taxes as a share of income. The 6th edition of Who Pays does not include the impact of the federal deduction for state and local taxes (SALT) because policy changes in the 2017 federal Tax Cuts and Jobs Act temporarily limited the extent to which the SALT deduction functions as a generalized offset of state and local taxes.

HAWAII State and Local Taxes (cont.)

TOTAL TAX

Share of Family Income

INCOME GROUP	TOP 20%						
	LOWEST 20%	SECOND 20%	MIDDLE 20%	FOURTH 20%	NEXT 15%	NEXT 4%	TOP 1%
INCOME RANGE	Less than \$20,000	\$20,000 to \$36,000	\$36,000 to \$55,700	\$55,700 to \$95,100	\$95,100 to \$213,800	\$213,800 to \$457,100	over \$457,100
AVERAGE INCOME IN GROUP	\$10,200	\$26,700	\$45,000	\$72,500	\$134,500	\$299,700	\$984,200
 SALES & EXCISE TAXES	10.5%	8.2%	6.2%	4.9%	3.6%	2.2%	1.2%
General Sales—Individuals	4.7%	3.8%	2.9%	2.3%	1.6%	1.0%	0.5%
Other Sales & Excise—Ind.	2.1%	1.3%	0.9%	0.7%	0.5%	0.2%	0.1%
Sales & Excise on Business	3.8%	3.1%	2.4%	1.9%	1.5%	0.9%	0.6%
 PROPERTY TAXES	3.8%	2.2%	1.9%	1.9%	1.5%	1.5%	1.4%
Home, Rent, Car—Individuals	3.8%	2.1%	1.9%	1.8%	1.3%	1.0%	0.4%
Other Property Taxes	0.1%	0.1%	0.1%	0.1%	0.2%	0.5%	1.0%
 INCOME TAXES	0.6%	2.6%	3.4%	4.2%	4.3%	5.5%	6.3%
Personal Income Tax	0.6%	2.6%	3.4%	4.1%	4.3%	5.5%	6.2%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
 TOTAL TAXES	15.0%	13.0%	11.6%	11.0%	9.4%	9.2%	8.9%

Individual figures may not sum to totals due to rounding.

ITEP TAX INEQUALITY INDEX

According to ITEP's Tax Inequality Index, which measures the impact of each state's tax system on income inequality, **Hawaii has the 15th most unfair state and local tax system** in the country. Incomes are more unequal in Hawaii after state and local taxes are collected than before. (See Appendix B for state-by-state rankings and the methodology section for additional detail on the index.)

TAX FEATURES DRIVING THE DATA IN HAWAII



PROGRESSIVE TAX CODE FEATURES

- Graduated personal income tax structure
- Limits itemized deductions for upper-income taxpayers
- Personal exemption phases out for upper-income taxpayers
- Provides an Earned Income Tax Credit (EITC)
- Provides refundable income tax credits to reduce impact of sales, excise, and property taxes
- Requires the use of combined reporting for the corporate income tax
- Levies a state estate tax



REGRESSIVE TAX CODE FEATURES

- EITC is temporary and non-refundable
- Provides preferential income tax rates for income from capital gains
- Comparatively high reliance on sales and excise taxes
- State and local sales tax bases include groceries
- Provides a partial income tax deduction for state income taxes paid
- Comparatively high cigarette tax rate