Hawaii Business Income Tax Statistics

Tax Year 2016

DEPARTMENT OF TAXATION

STATE OF HAWAII

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INTRODUCTION

This report covers the activities of C corporations, S corporations, financial corporations, sole proprietorships and partnerships whose accounting period ended in 2016. It also includes real estate rental activities reported on 2016 federal Schedule E by resident individuals. Business entities with no income and no expenses other than those costs to maintain licenses and to file tax returns are excluded from this report.

This report is organized into five sections. Section 1 presents an overview of all business activities (Sole proprietorships were only included in part of table 1-1 due to lacking detailed information from Form N-11 and lack of access to federal tax data) encompassed in this report. Section 2 summarizes C corporations filing Form N-30 and S corporations filing Form N-35. Section 3 discusses financial corporations filing Form F-1. Section 4 contains partnerships filing Form N-20. Section 5 includes sole proprietorships filing federal Schedule C and/or F, and resident individual filing federal Schedule E.

SECTION 1

OVERVIEW OF BUSINESS RETURNS

SUMMARY

Corporations, partnerships and individuals whose accounting periods ended in 2016 filed 195,190 income tax returns. Their aggregate Hawaii business receipts totaled $123.7 billion. A total of 22,092 businesses or 52.0% of all businesses (excluding proprietorships due to reasons mentioned above) reported net profits of $6.9 billion. The remaining businesses recorded net losses of $2.9 billion (Table 1-1).

The most common business entities were sole proprietors (Schedule C, F and E), representing 78.2% of all Hawaii business filings for the period. However, sole proprietors accounted for only 7.0% of the total business receipts. The largest portion of cumulative receipts was attributable to C corporations, contributing 58.1% of the total. With higher capitalization, C corporations generated larger average business receipts although they made up only 8.2% of all business entities. Businesses with $1 million or more in business receipts accounted for 89.8% of the total business receipts even though they made up only 4.9% of all business entities (Table 1-1).

BUSINESS RETURNS

The most common forms of business are the sole proprietorship, partnership, C corporation and S corporation. A sole proprietorship is an unincorporated business that is owned by one individual. It is the simplest form of business organization. Proprietorship's liabilities are the proprietor's personal liabilities. Proprietors report their business activities on Schedule C and/or Schedule F (for farming activities) and attach the schedules to their federal individual income tax returns.

A limited liability company (LLC) is a relatively new business structure allowed by state statute. Owners of an LLC are called members. Members of LLCs have limited personal liability for the debts and actions of the LLCs. A single-member LLC is automatically treated as if it were a sole proprietorship, unless an election is made to be treated as a corporation. Single-member LLCs report their incomes and expenses on Schedules C, E, and/or F and attach the schedules to their federal individual income tax returns.

If a sole proprietor owns more than one business, he or she has to complete a separate schedule for each business. In the case of multiple schedules filed, each schedule is considered a separate entity. Due to lack of access to federal tax data in 2016, only reconciled total gross receipts can be extracted from state resident return Form N-11.

A partnership is an entity in which two or more partners join to form a business venture. Each partner expects to share in the profits and losses of the business. Partnerships file Form N-20 to report their activities, but they do not directly pay income tax. Instead, they "pass through" any profits, losses, and credits to their partners. Partners include their share of income, loss, and credit on their individual tax returns. Because key data items from Schedule K and Schedule P of Form N-20 were not captured electronically, a stratified random sampling method was used to estimate the statistics for partnerships.

In forming a corporation, prospective shareholders exchange money and/or property for the corporation's capital stock. C corporations with gross income from property owned, trade or business conducted, or any other source in Hawaii file Form N-30 and are subject to the corporate income tax. In addition, every corporation that is incorporated under the laws of Hawaii must file Form N-30 if it has gross income from any source outside of Hawaii. Financial corporations are exempt from the income tax but are subject to the franchise tax. They report their activities on Form F-1.

An eligible domestic corporation that elects to become an S corporation can avoid the corporate income tax. However, the S corporation is liable for the tax on certain capital gains and passive income. To be treated as an S corporation, the corporation has to meet the following requirements: 1) the corporation has no more than 100 shareholders; 2) the corporation has only one class of stock; 3) all of the shareholders are U.S. residents, either citizens or resident aliens; 4) all of the shareholders are individuals (i.e., no corporations or other entities own the stock except for certain trusts, or estates); and 5) the corporation operates on a calendar year financial basis. S corporations file Form N-35. The S corporation's shareholders include their share of income, loss, deduction, and credit on their individual tax returns. Because key data items from Schedule K and Schedule P of Form N-35 were not captured, a stratified random sampling method was used to estimate the statistics for S corporations.

DATA SOURCE AND METHODOLOGY

The primary data sources for C corporations, S corporations, partnerships and proprietorships were the Hawaii Department of Taxation's computerized Integrated Tax Information Management System (ITIMS) and Tax System Modernization (TSM) program. For financial corporations, all data items were recorded manually from Form F-1 because this data is not available in electronic format.

Wage information was obtained from Tax System Modernization (TSM) program (Form HW-3, Employer's Annual Return & Reconciliation of Hawaii Income Tax Withheld from Wages; Form HW-14, Periodic Withholding Tax Returns). The count of W-2 forms was retrieved from Form HW-3.

In this report, "business receipts" refers to primary payments received for goods and services provided by the trade or business. It does not include passive income such as interest, rent and capital gains, except where passive income is the major business activity of an entity. Business receipts and all other income less business expenses, including the cost of goods sold and returns and allowances result in either net profits or net losses.

A business entity that filed allocation and apportionment of income is classified as an "apportioned" entity in this report. Its out-of–state sales and compensation paid are excluded from gross business receipts and wages. Apportioned Hawaii sales and compensation paid are reported as business receipts and wages paid respectively. Business entities not apportioning income are classified as "non-apportioned" entities.

For S corporations and partnerships, a stratified random sampling method base on major industry categories was used to estimate the statistics. First, tax returns of Hawaii companies with top 1% gross receipts (159 for S corporations and 104 for partnerships) were manually entered to reduce the variance and their sampling weights were set to 1. Then, 10% of the remaining returns were sampled for most industry categories. If the resulting sample size in a category (education and unclassified for S corporations; education, information, manufacturing, repair & maintenance and transportation & warehousing for partnerships) is less than 30, a higher percentage sampling was used to get at least 30 returns. The final statistics were calculated based on the sampling weight for each category. To calculate number of entities, number of tax returns with no Hawaii business activities was estimated from the sample and its sampling weight, then subtracted from the total number of returns.

INDUSTRIAL CLASSIFICATION

Each return was assigned an industry code that described its principal business activity. The industry code was provided on the business income tax return by the taxpayer. Where the industry code was not valid or left blank, the code assigned was based on the taxpayer's description of its business activity as reported on the tax return. An entity with multiple business activities was assigned an industry code that most closely reflected its principal activity. The 2012 edition of the North American Industry Classification System (NAICS) was used as a guideline in the assignment of codes.

It should be noted that assigning only one industry code to an entity could impose some limitations on data interpretation. An entity that is classified in a specific industrial category may operate several other business activities more properly included in other categories. For example, an entity that manufactures petroleum products may have

wholesale (sales to retail stores) and retail (sales to final consumers) activities. Also, the activities reported for a given industrial category may not be inclusive of all comparable business operations. For instance, the category "liquor stores" would not include the liquor sales by department stores and grocery stores. In general, the activity that generated the largest portion of business receipts for an entity determined its assignment to an industrial category.

STATISTICAL OVERVIEW

TAXATION DISTRICTS

The State of Hawaii is geographically divided into four taxation districts: the First Taxation District includes the island of Oahu; the Second Taxation District, the islands of Maui, Molokai and Lanai; the Third Taxation District, the island of Hawaii; and the Fourth Taxation District, the islands of Kauai and Niihau. Each business entity normally files its tax return in the district where it is located. Entities conducting business in more than one district may consolidate their data and file only in one district, generally the First, the most populous district in the state.

As mentioned in the introduction, proprietorships were not included in this overview except table 1-1. Therefore all the statistics mentioned below in this section exclude proprietorships.

Table 1-3 shows the distribution of businesses by district. As expected, business filings were concentrated in the First District and paralleled the population distribution in each district. Business returns were distributed as follows: 77.9% in the First District, 9.8% in the Second District, 8.4% in the Third District, and 3.9% in the Fourth District. A similar distribution pattern was seen in most industry groups. All industries were concentrated in the First District, except the agriculture and fishing industry. 38.6% of the agriculture and fishing entities were in the First District, 40.5% in the Third District, which has more than 60% of the state's agricultural area.

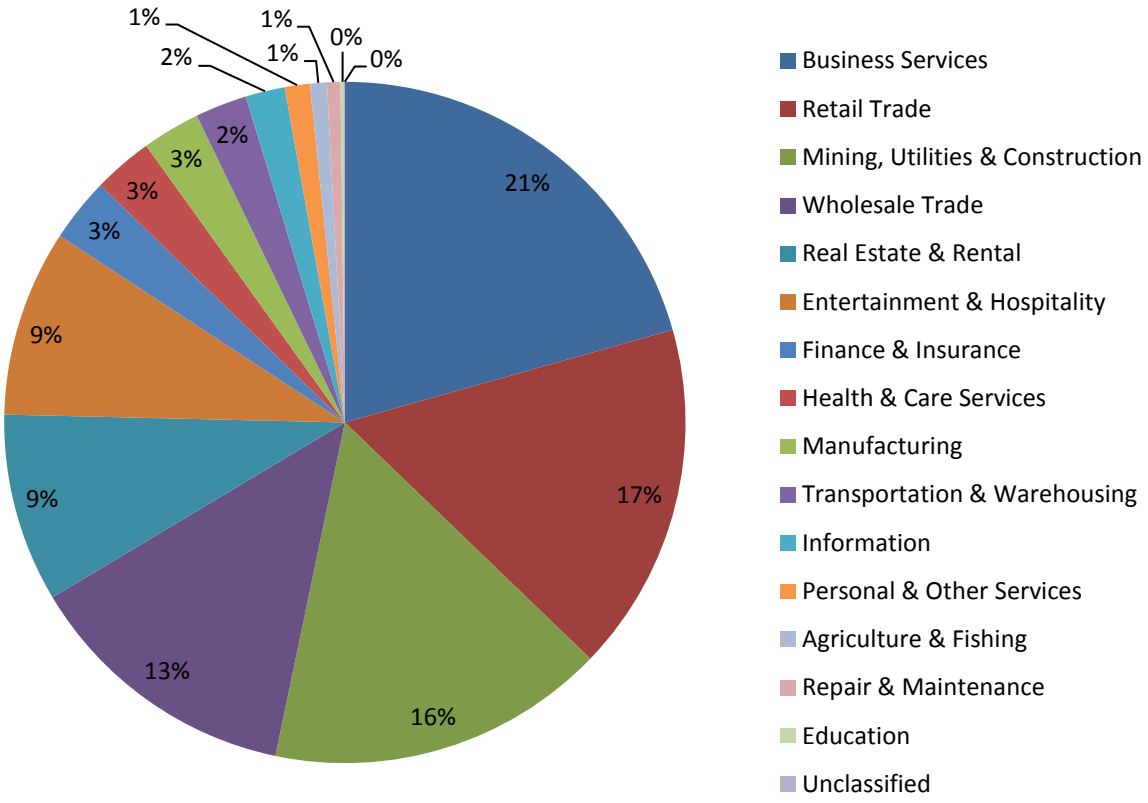
As seen in Table 1-9, businesses that filed in the First District accounted for 91.6% of business receipts, 89.4% of wages paid. This is due in part to a concentration of the state's largest businesses in the First District. Another reason is that some businesses combined their activities from different districts and filed on a consolidated basis in the First District.

BUSINESS RECEIPTS

Hawaii business receipts amounted to $115.0 billion in 2016. Table 1-5 indicates that only 8,787 business entities, or 20.7% of all business entities, had Hawaii business receipts of at least $1 million. However, these business entities accounted for 94.7% of business receipts, 78.4% of net profits, 88.2% of wages paid.

Figure 1-1 shows that the business services, retail trade, mining, utility & construction and wholesale trade industries were the main contributors of Hawaii business receipts in 2016. The business services industry generated $23.7 billion in business receipts, retail trade $19.1 billion, mining, utility & construction $18.5 billion, and wholesale trade $15.1 billion, together representing 66.4% of total receipts. Using average business receipts as an approximate measure of business size, the retail trade industry with $5.6 million in average receipts was the largest in business size. The personal and other services industry with $663,000 in average receipts was the smallest in business size (Table 1-4).

Figure 1-1 Hawaii Business Receipts by Major Industry Groups - 2016



NET INCOME

Hawaii net income totaled a positive $3.9 billion in 2016. A total of 22,092 businesses had net profits amounting to $6.9 billion, while 16,291 businesses had net losses totaling $2.9 billion. The remaining 4,121 business entities had zero net balances (Table 1-4).

The largest negative net income occurred in agriculture and fishing industry, totaled $12.8 million, whereas the largest positive net income occurred in business services industry, totaled $1.3 billion in 2016 (Table 1-4). As presented in Table 1-9, Maui Island

had the highest ratio of profit to loss. The amount of net profits was 4.8 times as much as the net losses. Kauai Island had ratio of profit to loss at 3.9 while Hawaii and Oahu Islands had the smallest ratio at 2.3 each.

Figure 1-2 shows that the Business Services industry was the most profitable sector in 2016, with combined net income of $1.3 billion. The retail trade ($559.4 million), real estate & rental industry ($396.6 million) and mining, utilities & construction ($378.2 million) also did well.

Figure 1-2 Hawaii Business Net Income by Major Industry Groups - 2016

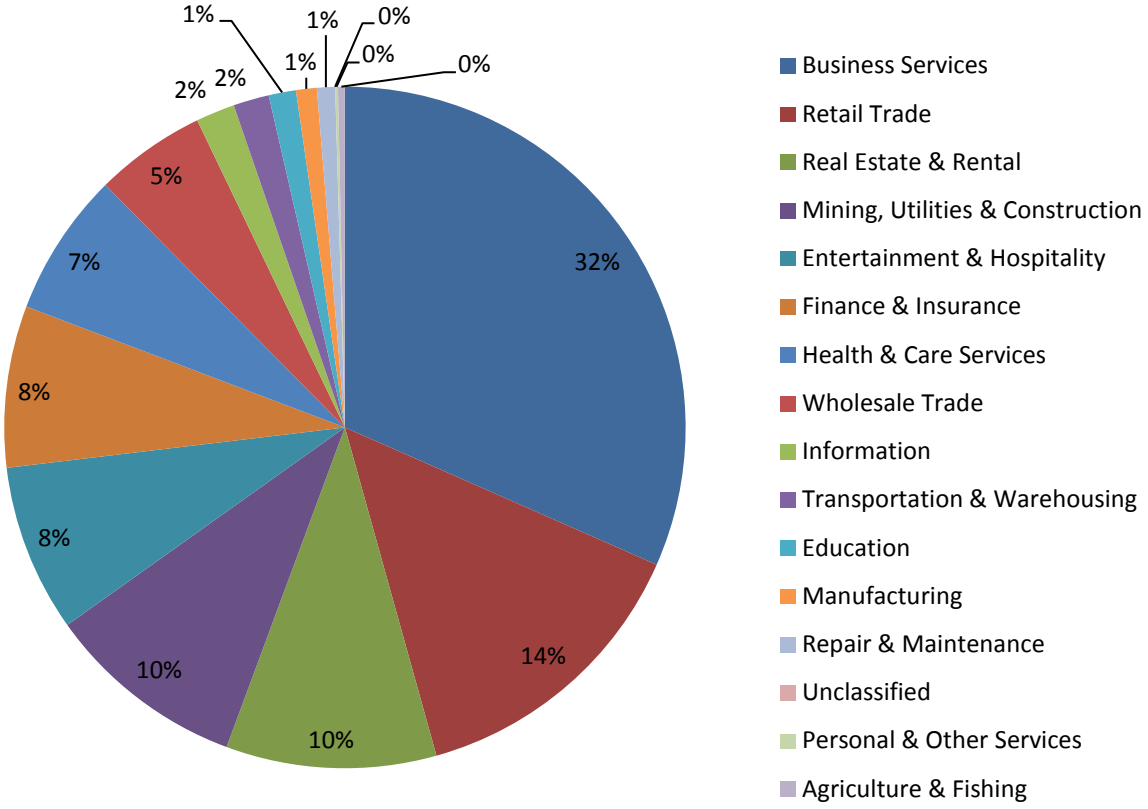


Table 1-6 shows that 91.9% of business entities with positive net income had net profits of less than $500,000. On average, their net income was $64,850. Those entities with at least $1 million of net profits had the largest average net income of $5.1 million, and they comprised 4.4% of all entities with positive net income.

WAGES and W-2 FORMS

Hawaii businesses reported $17.6 billion in wages paid. The three industries that paid out the most in wages were business services ($4.4 billion), entertainment & hospitality ($2.6 billion) and Mining, Utilities & Construction ($2.2 billion) (Table 1-4).

W-2 count is not presented here in overview. See section 2, 3 and 4 for W-2 form statistics of corporations, financial corporations and partnerships. It should be noted that since businesses issue a W-2 form to every employee, regardless of length of service or turnover rate, the W-2 count only approximates the actual job or position count.

Section 1

Overview of Business Returns

Statistical Tables

Dollar amounts and percentages are rounded and may not add up to totals.

Table 1-1
Distribution of Businesses, Business Receipts and Net Profits or Loss - 2016
(Dollar Amounts in $1,000)

	All Entities	C Corporations (N-30)	S Corporations (N-35) [1]	Financial Corporations (F-1)	Partnerships (N-20) [1]	Proprietors [2] Non-Rental (Sch. C & F)	Proprietors [2] Rental (Sch. E)
Number of Businesses	195,190	15,944	15,905	212	10,443	96,386	56,300
Percent of Total	100.0%	8.2%	8.1%	0.1%	5.4%	49.4%	28.8%
Number of Businesses by Taxation District							
OAHU	131,238	13,572	11,076	198	8,274	58,971	39,147
MAUI	26,169	974	2,353	*d*	*d*	14,328	7,688
HAWAII	25,864	1,073	1,654	*d*	*d*	16,844	6,293
KAUAI	11,059	325	822	*d*	*d*	6,243	3,172
Business Receipts	$123,668,234	$71,872,890	$23,854,488	$2,672,979	$16,588,823	$6,527,915	$2,151,139
Percent of Total	100.0%	58.1%	19.3%	2.2%	13.4%	5.3%	1.7%
Business with $1 million or more in Business Receipts	9,532	4,027	3,131	78	1,550	703	43
Percent of Total	100.0%	62.7%	19.0%	2.4%	14.0%	1.8%	0.2%
Amount	$111,075,952	$69,685,188	$21,065,718	$2,633,540	$15,504,481	$1,956,425	$230,600
Business with Net Profit	22,092	5,452	11,038	141	5,461	*n/a*	*n/a*
Percent of Total	100.0%	24.7%	50.0%	0.6%	24.7%	*n/a*	*n/a*
Ratio of Profitable Business to All Business [3]	52.0%	34.2%	69.4%	66.5%	52.3%	*n/a*	*n/a*
Amount of Net Profit	$6,883,637	$2,914,682	$1,623,123	$512,304	$1,833,528	*n/a*	*n/a*
Percent of Total	100.0%	42.3%	23.6%	7.4%	26.6%	*n/a*	*n/a*
Amount of Net Loss	$2,943,850	$1,432,969	$241,983	$25,968	$1,242,930	*n/a*	*n/a*
Percent of Total	100.0%	48.7%	8.2%	0.9%	42.2%	*n/a*	*n/a*

[1] Statistics for these types of businesses were estimated by random sampling.
[2] Individual taxpayers with more than one schedule C (E or F) reconcile their gross receipts on form N11, therefore the numbers of entities are underestimated.
[3] Proprietors were excluded for calculating all entities due to data not available.
Notes: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information. "n/a" denotes "Data Not Available" on form N11.

Table 1-2
Distribution of Businesses by Type of Return among Major Industry Groups - 2016

	All Entities	C Corporations (N-30)	S Corporations (N-35) [1]	Financial Corporations (F-1)	Partnerships (N-20) [1]
All Industries	42,504	15,944	15,905	212	10,443
Agriculture & Fishing	1,053	219	430	0	404
Mining, Utilities & Construction	3,870	1,027	2,102	0	741
Manufacturing	798	229	360	0	209
Wholesale Trade	2,974	1,600	941	0	433
Retail Trade	3,543	1,188	1,584	0	771
Transportation & Warehousing	816	342	320	0	154
Information	888	394	292	0	202
Finance & Insurance	3,281	1,078	450	184	1,569
Real Estate & Rental	6,642	2,916	*d*	*d*	2,397
Business Services	8,446	3,033	3,780	19	1,614
Education	*d*	133	*d*	0	92
Health & Care Services	2,331	747	1,273	0	311
Entertainment & Hospitality	3,865	1,049	1,744	0	1,072
Repair & Maintenance	778	226	444	0	108
Personal & Other Services	2,843	1,763	712	0	368
Unclassified	*d*	0	*d*	0	0
Percent Distribution					
All Industries	100.0%	37.5%	37.4%	0.5%	24.6%
Agriculture & Fishing	100.0%	20.8%	40.8%	0.0%	38.4%
Mining, Utilities & Construction	100.0%	26.5%	54.3%	0.0%	19.1%
Manufacturing	100.0%	28.7%	45.1%	0.0%	26.2%
Wholesale Trade	100.0%	53.8%	31.6%	0.0%	14.6%
Retail Trade	100.0%	33.5%	44.7%	0.0%	21.8%
Transportation & Warehousing	100.0%	41.9%	39.2%	0.0%	18.9%
Information	100.0%	44.4%	32.9%	0.0%	22.7%
Finance & Insurance	100.0%	32.9%	13.7%	5.6%	47.8%
Real Estate & Rental	100.0%	43.9%	*d*	*d*	36.1%
Business Services	100.0%	35.9%	44.8%	0.2%	19.1%
Education	*d*	*d*	*d*	*d*	*d*
Health & Care Services	100.0%	32.0%	54.6%	0.0%	13.3%
Entertainment & Hospitality	100.0%	27.1%	45.1%	0.0%	27.7%
Repair & Maintenance	100.0%	29.0%	57.1%	0.0%	13.9%
Personal & Other Services	100.0%	62.0%	25.0%	0.0%	12.9%
Unclassified	*d*	*d*	*d*	*d*	*d*

[1] Numbers of returns without Hawaii activities for these types of businesses were estimated from the sample and subtracted from the total number of returns.

Note: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 1-3

Distribution of Businesses by Industry and District - 2016

Industry Group	All	Taxation District			
		Oahu	Maui	Hawaii	Kauai
All Industries	42,504	33,120	4,171	3,569	1,644
Percent of Total	100.0%	77.9%	9.8%	8.4%	3.9%
Agriculture & Fishing	1,053	406	169	426	52
Mining, Utilities & Construction	3,870	2,675	541	357	298
Manufacturing	798	517	90	126	65
Wholesale Trade	2,974	2,679	162	102	31
Retail Trade	3,543	2,544	389	414	197
Transportation & Warehousing	816	576	103	101	36
Information	888	770	29	60	28
Finance & Insurance	3,281	3,113	66	42	59
Real Estate & Rental	6,642	5,391	517	489	247
Business Services	8,446	7,106	707	486	147
Education	*d*	*d*	*d*	*d*	*d*
Health & Care Services	2,331	1,775	242	214	102
Entertainment & Hospitality	3,865	2,614	610	377	264
Repair & Maintenance	778	530	151	74	23
Personal & Other Services	2,843	2,123	362	271	88
Unclassified	*d*	*d*	*d*	*d*	*d*
Percent Distribution by Industry	100.0%	100.0%	100.0%	100.0%	100.0%
Agriculture & Fishing	2.5%	1.2%	4.1%	11.9%	3.2%
Mining, Utilities & Construction	9.1%	8.1%	13.0%	10.0%	18.1%
Manufacturing	1.9%	1.6%	2.2%	3.5%	4.0%
Wholesale Trade	7.0%	8.1%	3.9%	2.9%	1.9%
Retail Trade	8.3%	7.7%	9.3%	11.6%	12.0%
Transportation & Warehousing	1.9%	1.7%	2.5%	2.8%	2.2%
Information	2.1%	2.3%	0.7%	1.7%	1.7%
Finance & Insurance	7.7%	9.4%	1.6%	1.2%	3.6%
Real Estate & Rental	15.6%	16.3%	12.4%	13.7%	15.0%
Business Services	19.9%	21.5%	17.0%	13.6%	8.9%
Education	*d*	*d*	*d*	*d*	*d*
Health & Care Services	5.5%	5.4%	5.8%	6.0%	6.2%
Entertainment & Hospitality	9.1%	7.9%	14.6%	10.6%	16.1%
Repair & Maintenance	1.8%	1.6%	3.6%	2.1%	1.4%
Personal & Other Services	6.7%	6.4%	8.7%	7.6%	5.4%
Unclassified	*d*	*d*	*d*	*d*	*d*

Note: Numbers of returns without Hawaii activities for S corporations and partnerships were estimated from the sample and subtracted from the total.

"*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 1-4

Distribution of Businesses, Business Receipts, Net Income, and Wages Paid by Major Industry - 2016 (Dollar Amounts in $1,000)

Industry	No. of Entities	Business Receipts		Net Profit		Net Loss		Wages Paid	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
All Industries	42,504	35,849	$114,989,180	22,092	$6,883,637	16,291	$2,943,850	21,380	$17,640,867
Agriculture & Fishing	1,053	901	$919,139	443	$51,480	566	$64,300	355	$83,641
Mining, Utilities & Construction	3,870	3,628	$18,485,151	2,434	$741,994	1,179	$363,767	2,524	$2,222,305
Manufacturing	798	734	$3,163,889	446	$98,047	306	$58,906	470	$318,772
Wholesale Trade	2,974	2,789	$15,119,472	1,603	$390,069	1,023	$180,466	1,515	$1,070,663
Retail Trade	3,543	3,429	$19,067,276	1,957	$727,254	1,353	$167,901	2,319	$2,056,136
Transportation & Warehousing	816	768	$2,828,206	450	$117,371	290	$49,949	563	$612,103
Information	888	779	$2,146,260	443	$220,685	359	$147,282	428	$494,260
Finance & Insurance	3,281	1,768	$3,491,266	1,634	$615,942	1,265	$311,005	741	$755,935
Real Estate & Rental	6,642	4,391	$10,289,982	2,652	$1,028,701	3,135	$632,110	1,441	$1,066,358
Business Services	8,446	7,618	$23,704,519	4,943	$1,662,947	2,762	$406,486	4,626	$4,427,317
Education	*d*	*d*	$241,018	*d*	$56,939	*d*	$5,520	*d*	$42,288
Health & Care Services	2,331	2,256	$3,254,438	1,414	$313,626	702	$42,441	1,732	$1,264,156
Entertainment & Hospitality	3,865	3,594	$10,183,440	1,977	$737,882	1,610	$421,835	2,537	$2,592,621
Repair & Maintenance	778	769	$726,227	475	$43,188	258	$9,075	588	$133,338
Personal & Other Services	2,843	2,064	$1,368,715	1,014	$77,494	1,337	$82,763	1,367	$500,960
Unclassified	*d*	*d*	$183	*d*	$14	*d*	$46	*d*	$15

Notes: Statistics for S corporations and partnerships were estimated by random sampling, therefore details may not add up to total due to rounding.

"*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 1-5

Distribution of Businesses, Business Receipts, Net Income, and Wages Paid by Size of Hawaii Business Receipts - 2016 (Dollar Amounts in $1,000)

Hawaii Business Receipts Class	No. of Entities	Business Receipts	Net Profit		Net Loss		Wages Paid	
			Number	Amount	Number	Amount	Number	Amount
Total	42,504	$114,989,180	22,092	$6,883,637	16,291	$2,943,850	21,380	$17,640,867
No Business Receipts	6,656	$0	1,780	$766,387	4,203	$623,558	997	$283,916
Under $1,000	922	$337	214	$2,410	547	$25,587	105	$11,141
$1,000 - < $10,000	3,015	$14,129	997	$20,886	1,697	$49,523	525	$39,762
$10,000 - < $50,000	4,812	$133,553	2,179	$51,376	2,105	$65,486	1,237	$210,433
$50,000 - < $100,000	3,556	$260,396	1,932	$45,099	1,276	$60,766	1,392	$76,304
$100,000 - < $500,000	10,300	$2,532,324	6,489	$327,664	2,929	$256,939	6,466	$651,316
$500,000 - < $1 million	4,457	$3,159,403	2,712	$270,545	1,305	$179,653	3,504	$806,946
$1 million - < $5 million	6,246	$13,382,242	4,130	$1,035,365	1,612	$380,922	5,083	$3,171,916
$5 million - < 10 million	978	$6,836,356	609	$377,024	260	$266,138	794	$1,319,343
$10 million and over	1,563	$88,670,439	1,048	$3,986,884	357	$1,035,278	1,273	$11,069,792

Note: Statistics for S corporations and partnerships were estimated by random sampling, therefore details may not add up to total due to rounding.

Table 1-6

Distribution of Businesses, Net Income, Business Receipts, and Wages Paid by Size of Net Profit - 2016 (Dollar Amounts in $1,000)

Size of Net Profit	No. of Entities	Net Income	Business Receipts		Wages Paid	
			Number	Amount	Number	Amount
Total	42,504	$3,939,786	35,849	$114,989,180	21,380	$17,640,867
No Net Profit	20,412	($2,943,850)	35,849	$34,256,329	8,355	$5,233,531
Under $25,000	10,008	$79,139	35,849	$3,586,451	4,548	$716,760
$25,000 - < $100,000	6,209	$338,043	35,849	$6,591,221	4,084	$1,157,994
$100,000 - < $500,000	4,088	$899,645	35,849	$11,034,564	3,085	$2,109,422
$500,000 - < $1 million	815	$566,676	35,849	$7,755,023	605	$911,936
$1 million and over	972	$5,000,134	35,849	$51,765,592	701	$7,511,224

Note: Statistics for S corporations and partnerships were estimated by random sampling, therefore details may not add up to total due to rounding.

Table 1-7
Distribution of Businesses by Major Industry and by Size of Hawaii Business Receipts - 2016

Industry Group	All	Size of Hawaii Business Receipts						
		No Business Receipts	Under $10,000	$10,000 - < $100,000	$100,000 - < $500,000	$500,000 - < $1 million	$1 million - < $5 million	$5 million and over
All Industries	42,504	6,656	3,937	8,368	10,300	4,457	6,246	2,541
Agriculture & Fishing	1,053	152	169	285	233	110	91	12
Mining, Utilities & Construction	3,870	241	134	566	977	532	991	430
Manufacturing	798	65	79	90	280	99	119	67
Wholesale Trade	2,974	184	272	583	622	350	548	413
Retail Trade	3,543	114	270	587	1,038	597	651	285
Transportation & Warehousing	816	48	25	135	181	91	256	81
Information	888	108	93	267	185	71	113	48
Finance & Insurance	3,281	1,513	340	436	472	182	210	128
Real Estate & Rental	6,642	2,251	664	1,469	1,269	327	465	197
Business Services	8,446	827	973	2,088	2,206	777	1,101	475
Education	*d*	*d*	*d*	*d*	95	30	18	*d*
Health & Care Services	2,331	75	154	342	774	472	405	110
Entertainment & Hospitality	3,865	271	251	637	1,072	507	906	222
Repair & Maintenance	778	*d*	31	114	331	117	152	*d*
Personal & Other Services	2,843	779	406	634	566	196	220	42
Unclassified	*d*	*d*	*d*	*d*	0	0	0	*d*
Percent by Industry	100.0%	15.7%	9.3%	19.7%	24.2%	10.5%	14.7%	6.0%
Agriculture & Fishing	100.0%	14.4%	16.0%	27.1%	22.1%	10.4%	8.6%	1.1%
Mining, Utilities & Construction	100.0%	6.2%	3.5%	14.6%	25.2%	13.7%	25.6%	11.1%
Manufacturing	100.0%	8.1%	9.9%	11.3%	35.1%	12.4%	14.9%	8.4%
Wholesale Trade	100.0%	6.2%	9.1%	19.6%	20.9%	11.8%	18.4%	13.9%
Retail Trade	100.0%	3.2%	7.6%	16.6%	29.3%	16.9%	18.4%	8.0%
Transportation & Warehousing	100.0%	5.9%	3.1%	16.5%	22.2%	11.2%	31.4%	9.9%
Information	100.0%	12.2%	10.5%	30.1%	20.8%	8.0%	12.7%	5.4%
Finance & Insurance	100.0%	46.1%	10.4%	13.3%	14.4%	5.5%	6.4%	3.9%
Real Estate & Rental	100.0%	33.9%	10.0%	22.1%	19.1%	4.9%	7.0%	3.0%
Business Services	100.0%	9.8%	11.5%	24.7%	26.1%	9.2%	13.0%	5.6%
Education	*d*	*d*	*d*	*d*	*d*	*d*	*d*	*d*
Health & Care Services	100.0%	3.2%	6.6%	14.7%	33.2%	20.2%	17.4%	4.7%
Entertainment & Hospitality	100.0%	7.0%	6.5%	16.5%	27.7%	13.1%	23.4%	5.7%
Repair & Maintenance	100.0%	*d*	4.0%	14.7%	42.5%	15.0%	19.5%	*d*
Personal & Other Services	100.0%	27.4%	14.3%	22.3%	19.9%	6.9%	7.7%	1.5%
Unclassified	*d*	*d*	*d*	*d*	*d*	*d*	*d*	*d*

Notes: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.
Statistics for S corporations and partnerships were estimated by random sampling,
therefore details may not add up to total due to rounding.

Table 1-8
Distribution of Businesses by Major Industry and by Size of Net Profit - 2016

Industry Group	All	Size of Net Profit: No Net Profit	Under $25,000	$25,000 - < $100,000	$100,000 - < $500,000	$500,000 - < $1 million	$1 million and over
All Industries	42,504	20,412	10,008	6,209	4,088	815	972
Agriculture & Fishing	1,053	610	214	133	81	*d*	*d*
Mining, Utilities & Construction	3,870	1,436	782	789	588	133	141
Manufacturing	798	353	142	187	76	18	22
Wholesale Trade	2,974	1,370	804	376	247	77	97
Retail Trade	3,543	1,585	888	637	308	53	70
Transportation & Warehousing	816	366	148	184	64	32	22
Information	888	445	212	107	90	*d*	*d*
Finance & Insurance	3,281	1,646	827	326	335	60	88
Real Estate & Rental	6,642	3,990	1,081	747	554	121	149
Business Services	8,446	3,502	2,620	1,265	753	99	207
Education	*d*	*d*	*d*	39	18	*d*	*d*
Health & Care Services	2,331	917	500	442	345	75	53
Entertainment & Hospitality	3,865	1,888	901	487	417	79	95
Repair & Maintenance	778	303	149	213	105	*d*	*d*
Personal & Other Services	2,843	1,830	596	277	107	*d*	*d*
Unclassified	*d*	*d*	*d*	0	0	0	0
Percent by Industry	100.0%	48.0%	23.5%	14.6%	9.6%	1.9%	2.3%
Agriculture & Fishing	100.0%	57.9%	*d*	12.6%	7.7%	*d*	*d*
Mining, Utilities & Construction	100.0%	37.1%	20.2%	20.4%	15.2%	3.4%	3.6%
Manufacturing	100.0%	44.2%	17.8%	23.4%	9.5%	2.3%	2.8%
Wholesale Trade	100.0%	46.1%	27.0%	12.6%	8.3%	2.6%	3.3%
Retail Trade	100.0%	44.7%	25.1%	18.0%	8.7%	1.5%	2.0%
Transportation & Warehousing	100.0%	44.9%	18.1%	22.5%	7.8%	3.9%	2.7%
Information	100.0%	50.1%	23.9%	12.0%	10.1%	*d*	*d*
Finance & Insurance	100.0%	50.2%	25.2%	9.9%	10.2%	1.8%	2.7%
Real Estate & Rental	100.0%	60.1%	16.3%	11.2%	8.3%	1.8%	2.2%
Business Services	100.0%	41.5%	31.0%	15.0%	8.9%	1.2%	2.5%
Education	*d*	*d*	*d*	*d*	*d*	*d*	*d*
Health & Care Services	100.0%	39.3%	21.5%	19.0%	14.8%	3.2%	2.3%
Entertainment & Hospitality	100.0%	48.8%	23.3%	12.6%	10.8%	2.0%	2.5%
Repair & Maintenance	100.0%	38.9%	19.2%	27.4%	13.5%	*d*	*d*
Personal & Other Services	100.0%	64.4%	21.0%	9.7%	3.8%	*d*	*d*
Unclassified	*d*	*d*	*d*	0.0%	0.0%	0.0%	0.0%

Notes: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.
Statistics for S corporations and partnerships were estimated by random sampling,
therefore details may not add up to total due to rounding.

Table 1-9

Distribution of Businesses, Business Receipts, Net Income, and Wages Paid By Taxation District - 2016 (Dollar Amounts in $1,000)

Taxation District	No. of Entities	Business Receipts	Net Profit		Net Loss		Wages Paid	
			Number	Amount	Number	Amount	Number	Amount
All Districts	42,504	$114,989,180	22,092	$6,883,637	16,291	$2,943,850	21,380	$17,640,867
OAHU	33,120	$105,299,449	16,573	$6,178,300	13,021	$2,733,264	16,023	$15,763,519
MAUI	4,171	$4,063,390	2,437	$307,928	1,422	$64,216	2,356	$734,111
HAWAII	3,569	$3,734,002	2,005	$244,500	1,355	$107,572	1,984	$759,603
KAUAI	1,644	$1,892,339	1,077	$152,909	493	$38,797	1,015	$383,632
Percent by District	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
OAHU	77.9%	91.6%	75.0%	89.8%	79.9%	92.8%	74.9%	89.4%
MAUI	9.8%	3.5%	11.0%	4.5%	8.7%	2.2%	11.0%	4.2%
HAWAII	8.4%	3.2%	9.1%	3.6%	8.3%	3.7%	9.3%	4.3%
KAUAI	3.9%	1.6%	4.9%	2.2%	3.0%	1.3%	4.7%	2.2%

Note: Statistics for S corporations and partnerships were estimated by random sampling, therefore details may not add up to total due to rounding.

SECTION 2

CORPORATIONS

This section discusses corporations that are taxable under Chapter 235 of the Hawaii Revised Statutes (HRS). Form N-30 must be filed by C corporations if they have gross income from property owned, trade or business carried on, or any other source in Hawaii, or are incorporated under the laws of Hawaii. C corporations are subject to the following rates on Form N-30: 4.4% on taxable income up to $25,000, 5.4% on the excess over $25,000 but not over $100,000, and 6.4% on the excess over $100,000. Net capital gains are taxed at 4%. Form N-35 must be used to report the income, deduction, gains and losses of S corporations having income from activities within and without Hawaii.

Corporations numbered 31,849 in tax year 2016 (Table 2-1), of which 15,944 were C corporations and 15,905 were S corporations. Note that the number of S corporations without Hawaii business activities was estimated from the sample and subtracted from the total number of returns, therefore the count of entities for S corporations has some margin of error. The number of C corporations increased slightly from tax year 2015 of 15,624. Business receipts for all corporations totaled $95.7 billion.

C corporations contributed business receipts of $71.9 billion, a slight increase from tax year 2015 of $71.4 billion, and made up the largest portion, at 58.1%, of statewide receipts (Table 1-1). About 25.3% of C corporations reported at least $1.0 million in business receipts. S corporations had business receipts amounting to $23.9 billion. Approximately 19.7% of S corporations recorded business receipts of $1.0 million or more (Table 2-2 and Table 2-3).

In tax year 2016, net income for all corporations totaled $2.9 billion (Table 2-4). C corporations contributed $1.5 billion or 51.8% of total net income, a 38.3% increase from tax year 2015 of $1.1 billion, while S corporations reported $1.4 billion or 48.2% of total net income.

As presented in Table 2-5, C corporations reported $2.9 billion in net profits, $1.4 billion in net losses and $174.2 million in Hawaii tax liability. A total of 5,452 business entities showed profits, contrasted with 6,462 entities with losses. On average, net profits per entity were more than double the net losses per entity. Business services industry generated the most net income totaled $512.4 million. Retail industry had the second largest net income totaled $438.2 million. Finance

& insurance industry had the largest negative net income of $35.0 million, followed by agriculture & fishing at $21.3 million loss.

Table 2-6 shows S corporation net profits of $1.6 billion, net losses amounting to $242.0 million and tax liability totaling $143,000. A total of 11,038 business entities showed profits, whereas 4,847 reported net losses. Since S corporations pass through any profits or losses to their shareholders and pay taxes only on excess net passive income and certain capital gains, less than 0.2% of S corporations were liable for taxes.

Corporations who had business outside of Hawaii have to file schedule O and P to allocate their gross receipts and income to Hawaii. Such apportioned C corporations numbered 4,784 while Hawaii only businesses totaled 11,160. The apportioned C corporations had gross receipts of $52.0 billion while the non-apportioned C corporations generated business receipts of $19.9 billion (Table 2-3). The apportioned C corporations had net income of $1.1 billion whereas the Hawaii only C corporations recorded net income of $339.7 million (Table 2-4). This indicates that multi-national and national corporations are more profitable (with $239,000 net income per entity) than local Hawaii businesses (with $30,000 net income per entity).

Apportioned S corporations numbered 2,815 while Hawaii only businesses totaled 13,090. The apportioned S corporations had gross receipts of $8.7 billion while the non-apportioned S corporations generated business receipts of $15.1 billion (Table 2-3). The apportioned S corporations had net income of $304.6 million whereas the Hawaii only S corporations reported net income of $1.1 billion (Table 2-4). According to net income per entity, apportioned S corporations are more profitable (with $108,000 net income per entity) than local Hawaii S corporations (with $82,000 net income per entity).

Table 2-9 shows wages paid and number of W-2 forms by industry for corporations in 2016. Total 18,889 corporations paid $15.0 billion of wages. The business services industry (21.2% of such returns) paid the largest wages totaled $3.6 billion or 24.2% of total wages paid by corporations in 2016. The entertainment and hospitality industry filed the largest number of W-2 forms at 67,623 followed by retail industry at 65,792. This is in line with Hawaii's major form of business, the tourism.

Section 2

Corporations

Statistical Tables

Dollar amounts and percentages are rounded and may not add up to totals.

Table 2-1

Distribution of Corporation Returns by Taxation District and by Industry - 2016

Industry Group	Taxation District				
	All	Oahu	Maui	Hawaii	Kauai
C Corporations	15,944	13,572	974	1,073	325
Agriculture & Fishing	219	95	28	85	11
Mining, Utilities & Construction	1,027	804	83	103	37
Manufacturing	229	176	*d*	29	*d*
Wholesale	1,600	1,520	*d*	41	*d*
Retail	1,188	932	98	123	35
Transportation & Warehousing	342	267	28	36	11
Information	394	376	*d*	*d*	*d*
Finance & Insurance	1,078	1,044	*d*	15	*d*
Real Estate & Rental & Leasing	2,916	2,439	223	178	76
Business Services	3,033	2,815	77	105	36
Education	133	122	*d*	*d*	*d*
Health Care & Social Assistance	747	627	33	75	12
Entertainment & Hospitality	1,049	834	103	88	24
Repair & Maintenance	226	179	*d*	24	*d*
Personal & Other Services	1,763	1,342	212	161	48
S Corporations [1]	15,905	11,076	2,353	1,654	822
Agriculture & Fishing	430	154	82	163	31
Mining, Utilities & Construction	2,102	1,331	377	193	202
Manufacturing	360	221	50	59	30
Wholesale	941	797	103	21	21
Retail	1,584	1,134	190	179	81
Transportation & Warehousing	320	201	50	50	20
Information	292	231	20	21	20
Finance & Insurance	450	379	30	10	30
Real Estate & Rental & Leasing	1,320	906	193	161	61
Business Services	3,780	2,887	490	351	52
Education	*d*	*d*	*d*	*d*	*d*
Health Care & Social Assistance	1,273	896	189	129	60
Entertainment & Hospitality	1,744	1,040	334	200	170
Repair & Maintenance	444	273	131	30	10
Personal & Other Services	712	502	100	80	30
Unclassified	*d*	*d*	*d*	*d*	*d*

[1] Numbers of tax returns without Hawaii activities for S corporations were estimated from the sample and subtracted from the total.
"*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 2-2

Distribution of Corporation Returns by Taxation District and Size of Hawaii Business Receipts - 2016

Size of Hawaii Business Receipts	Taxation District				
	All	Oahu	Maui	Hawaii	Kauai
C Corporations	15,944	13,572	974	1,073	325
Under $1,000	3,051	2,603	211	192	45
$1,000 - < $10,000	996	852	51	71	22
$10,000 - < $50,000	1,690	1,447	88	121	34
$50,000 - < $100,000	1,123	949	77	73	24
$100,000 - < $500,000	3,405	2,891	211	227	76
$500,000 - < $1 million	1,651	1,346	114	149	42
$1 million - < $5 million	2,551	2,151	167	176	57
$5 million - < $10 million	593	515	*d*	36	*d*
$10 million and over	884	818	*d*	28	*d*
S Corporations [1]	15,905	11,076	2,353	1,654	822
Under $1,000	1,381	1,060	231	80	10
$1,000 - < $10,000	1,006	819	50	96	41
$10,000 - < $50,000	1,908	1,407	231	171	100
$50,000 - < $100,000	1,612	1,150	226	211	25
$100,000 - < $500,000	4,822	3,168	824	509	320
$500,000 - < $1 million	2,045	1,292	335	249	169
$1 million - < $5 million	2,652	1,823	408	301	120
$5 million - < $10 million	183	123	20	*d*	*d*
$10 million and over	296	233	28	*d*	*d*

[1] Numbers of tax returns without Hawaii activities for S corporations were estimated from the sample and subtracted from the total.

Table 2-3

Number of Businesses and Hawaii Gross Receipts by Major Industry and Corporate Return Type - 2016
(Dollar Amounts in $1,000)

Industry Groups	All		Non-Apportioned "C"		Apportioned "C"		Non-Apportioned "S"		Apportioned "S"	
	No. of Entities	Business Receipts	No. of Entities	Business Receipts	No. of Entities	Business Receipts	No. of Entities	Business Receipts	No. of Entities	Business Receipts
All Industries	31,849	$95,731,840	11,160	$19,920,936	4,784	$51,956,416	13,090	$15,133,720	2,815	$8,720,768
Agriculture & Fishing	649	$762,361	200	$185,298	19	$440,585	430	$136,478	0	$0
Mining, Utilities & Construction	3,130	$13,342,822	824	$2,844,633	203	$6,286,749	1,759	$3,863,703	344	$347,737
Manufacturing	590	$2,633,771	210	$774,077	19	$1,473,105	330	$368,946	31	$17,643
Wholesale	2,540	$14,320,761	532	$1,824,466	1,068	$9,722,461	609	$899,529	331	$1,874,305
Retail	2,772	$18,007,965	914	$3,522,270	274	$11,017,442	1,451	$3,105,499	133	$362,754
Transportation & Warehousing	663	$2,485,661	250	$894,671	92	$1,227,210	280	$275,337	41	$88,443
Information	686	$2,068,173	111	$109,995	283	$1,727,272	211	$109,132	81	$121,774
Finance & Insurance	1,528	$2,464,637	559	$436,373	519	$1,691,379	339	$296,305	111	$40,580
Real Estate & Rental & Leasing	4,237	$8,326,139	2,561	$1,338,449	355	$3,635,316	1,130	$621,908	191	$2,730,466
Business Services	6,813	$19,809,185	1,381	$4,727,022	1,652	$10,780,208	2,595	$2,409,911	1,185	$1,892,044
Education	*d*	$159,515	82	$43,595	51	$88,402	*d*	$21,200	*d*	$6,318
Health Care & Social Assistance	2,021	$2,562,625	694	$912,837	53	$528,104	1,214	$867,435	60	$254,249
Entertainment & Hospitality	2,793	$7,186,777	945	$1,517,541	104	$3,191,296	1,542	$1,593,001	202	$884,939
Repair & Maintenance	670	$582,699	190	$182,659	36	$33,569	424	$363,726	20	$2,745
Personal & Other Services	2,475	$1,018,565	1,707	$607,051	56	$113,317	661	$201,470	51	$96,727
Unclassified	*d*	$182	0	$0	0	$0	*d*	$140	*d*	$42

Notes: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Statistics for S corporations were estimated by random sampling, therefore details may not add up to total due to rounding.

Table 2-4

Number of Businesses and Net Income
by Size of Net Profit and Corporate Return Type - 2016
(Dollar Amounts in $1,000)

Size of Net Profit	ALL		Non-Apportioned "C"		Apportioned "C"		Non-Apportioned "S"		Apportioned "S"	
	No. of Entities	Net Income	No. of Entities	Net Income	No. of Entities	Net Income	No. of Entities	Net Income	No. of Entities	Net Income
Total	31,849	$2,862,852	11,160	$339,656	4,784	$1,142,057	13,090	$1,076,530	2,815	$304,609
No Net Profit	15,359	($1,674,953)	7,881	($592,754)	2,611	($840,215)	4,192	($205,011)	675	($36,973)
Under $25,000	7,415	$61,225	1,550	$12,953	1,126	$6,839	3,245	$33,564	1,494	$7,869
$25,000 - < $100,000	4,791	$261,009	916	$48,969	399	$20,806	3,181	$175,243	295	$15,991
$100,000 - < $500,000	3,160	$689,836	565	$124,811	348	$82,376	2,029	$436,692	218	$45,957
$500,000 - < $1 million	553	$380,103	113	$78,893	109	$77,575	269	$182,373	62	$41,262
$1 million and over	571	$3,145,633	135	$666,784	191	$1,794,677	173	$453,670	72	$230,502

Note: Statistics for S corporations were estimated by random sampling, therefore details may not add up to total due to rounding.

Table 2-5

Number of Businesses, Hawaii Business Receipts, Net Profit, Net Loss, and Tax Liability for C Corporations by Industry and Size of Business Receipts - 2016 (Dollar Amounts in $1,000)

	No of Entities	Business Receipts	Net Profit		Net Loss		Tax Liability	
			Number	Amount	Number	Amount	Number	Amount
Total	15,944	$71,877,352	5,452	$2,914,682	6,462	$1,432,969	5,426	$174,176
Industry Groups								
Agriculture & Fishing	219	$625,883	60	$24,204	115	$45,495	61	$1,429
Mining, Utilities & Construction	1,027	$9,131,382	408	$229,683	373	$202,973	409	$13,971
Manufacturing	229	$2,247,182	92	$39,750	90	$37,517	96	$2,497
Wholesale	1,600	$11,546,928	755	$272,431	498	$158,899	749	$17,023
Retail	1,188	$14,539,712	451	$519,054	505	$80,848	449	$32,572
Transportation & Warehousing	342	$2,121,881	141	$77,014	125	$39,518	139	$4,810
Information	394	$1,837,267	134	$186,636	174	$141,992	135	$11,911
Finance & Insurance	1,078	$2,127,752	332	$113,318	374	$148,366	326	$4,673
Real Estate & Rental & Leasing	2,916	$4,973,766	862	$329,759	1,219	$204,516	863	$18,294
Business Services	3,033	$15,507,229	1,208	$745,169	1,106	$232,766	1,189	$43,523
Education	133	$131,997	47	$2,225	61	$3,842	46	$117
Health Care & Social Assistance	747	$1,440,941	229	$15,779	303	$17,314	231	$913
Entertainment & Hospitality	1,049	$4,708,836	307	$326,173	484	$87,849	309	$20,497
Repair & Maintenance	226	$216,228	84	$4,983	97	$2,845	85	$278
Personal & Other Services	1,763	$720,368	342	$28,505	938	$28,231	339	$1,667
Size of Hawaii Business Receipts								
Under $1,000	3,051	$177	522	$129,866	1,695	$180,290	497	$6,354
$1,000 < $10,000	996	$4,631	223	$6,812	452	$24,214	219	$358
$10,000 < $50,000	1,690	$45,467	432	$12,407	742	$33,462	428	$607
$50,000 < $100,000	1,123	$81,663	342	$10,761	454	$41,891	340	$533
$100,000 < $500,000	3,405	$870,899	1,176	$51,109	1,370	$132,711	1,174	$2,457
$500,000 < $1 million	1,651	$1,184,756	645	$43,281	586	$93,681	642	$2,255
$1 million < $5 million	2,551	$5,773,418	1,241	$232,362	809	$175,870	1,243	$13,311
$5 million < $10 million	593	$4,151,715	337	$177,547	157	$122,842	337	$8,599
$10 million and over	884	$59,764,627	534	$2,250,536	197	$628,008	546	$139,701

Table 2-6

Number of Businesses, Hawaii Business Receipts, Net Profit, Net Loss, and Tax Liability for S Corporations by Industry and Size of Business Receipts - 2016

(Dollar Amounts in $1,000)

	No of Entities	Business Receipts	Net Profit		Net Loss		Tax Liability	
			Number	Amount	Number	Amount	Number	Amount
Total	15,905	$23,854,488	11,038	$1,623,123	4,847	$241,983	21	$143
Industry Groups								
Agriculture & Fishing	430	$136,478	226	$9,719	204	$6,458	0	$0
Mining, Utilities & Construction	2,102	$4,211,441	1,608	$301,668	494	$22,493	0	$0
Manufacturing	360	$386,589	261	$27,224	100	$2,669	0	$0
Wholesale	941	$2,773,834	611	$76,532	329	$7,548	0	$0
Retail	1,584	$3,468,253	1,061	$178,494	523	$28,272	0	$0
Transportation & Warehousing	320	$363,780	221	$23,888	99	$2,904	0	$0
Information	292	$230,906	212	$27,287	80	$841	0	$0
Finance & Insurance	450	$336,885	349	$55,852	101	$6,026	0	$0
Real Estate & Rental & Leasing	1,320	$3,352,374	728	$153,793	592	$61,250	*d*	$121
Business Services	3,780	$4,301,956	2,738	$349,383	1,032	$64,032	*d*	$22
Education	*d*	$27,519	*d*	$3,524	*d*	$1,188	0	$0
Health Care & Social Assistance	1,273	$1,121,683	955	$171,540	318	$7,489	0	$0
Entertainment & Hospitality	1,744	$2,477,940	1,163	$184,280	581	$21,335	0	$0
Repair & Maintenance	444	$366,471	303	$25,783	141	$5,676	0	$0
Personal & Other Services	712	$298,197	492	$34,139	210	$3,757	0	$0
Unclassified	*d*	$183	*d*	$14	*d*	$46	0	$0
Size of Hawaii Business Receipts								
Under $1,000	1,381	$78	341	$6,917	1,040	$26,783	0	$0
$1,000 < $10,000	1,006	$4,896	440	$1,316	566	$8,645	0	$0
$10,000 < $50,000	1,908	$53,626	1,150	$21,096	758	$12,876	0	$0
$50,000 < $100,000	1,612	$118,416	1,086	$21,976	516	$8,534	0	$0
$100,000 < $500,000	4,822	$1,172,571	3,829	$182,517	983	$27,751	*d*	$0
$500,000 < $1 million	2,045	$1,439,182	1,546	$162,850	499	$48,018	0	$0
$1 million < $5 million	2,652	$5,293,085	2,222	$522,381	429	$31,931	0	$0
$5 million < $10 million	183	$1,235,538	162	$109,739	21	$47,119	0	$0
$10 million and over	296	$14,537,094	261	$594,332	35	$30,327	*d*	$143

Note: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.
Statistics for S corporations were estimated by random sampling, therefore details may not add up to total due to rounding.

Table 2-7

Additional Sources of Income for Non-Apportioned C Corporations by Industry - 2016
(Dollar Amount in $,1000)

Industry Group	Interest		Gross Rents		Gross Royalties		Capital Gain Net Income		Other Income	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Total	4,873	$423,405	1,805	$274,022	304	$6,415	800	$1,143,898	2,439	$72,197
Agriculture & Fishing	64	$850	29	$5,162	*d*	$18	15	$29,844	74	$3,193
Mining, Utilities & Construction	361	$8,286	78	$12,857	*d*	$1	61	$26,915	263	$25,482
Manufacturing	76	$235	27	$4,154	*d*	($10)	*d*	$327	73	$4,984
Wholesale	190	$701	56	$6,541	*d*	$56	28	$3,054	171	$15,892
Retail	293	$1,659	88	$17,624	*d*	$65	52	$10,527	276	$41,095
Transportation & Warehousing	73	$550	26	$1,756	*d*	$1,104	15	$943	71	$15,124
Information	25	$318	*d*	$26,418	*d*	$14	*d*	$10,038	31	$6,502
Finance & Insurance	332	$123,517	55	$8,831	47	$639	199	$600,540	92	($287,967)
Real Estate & Rental & Leasing	1,112	$50,412	580	$84,798	46	$713	242	$272,716	448	($9,472)
Business Services	521	$231,319	100	$44,639	*d*	$501	68	$179,461	364	$194,950
Education	17	$18	*d*	$188	*d*	$9	*d*	$448	15	$955
Health Care & Social Assistance	247	$136	37	$1,747	*d*	$0	26	$2,235	251	$18,011
Entertainment & Hospitality	175	$978	78	$18,677	*d*	$667	33	$1,883	190	$31,079
Repair & Maintenance	65	$95	24	$2,629	0	$0	12	$425	34	$341
Personal & Other Services	1,322	$4,329	616	$38,002	168	$2,639	35	$4,543	86	$12,028

Note: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 2-8

Additional Sources of Income for Non-Apportioned S Corporations by Industry - 2016
(Dollar Amount in $1,000)

Industry Group	Net Gain or Loss from Schedule D-1		Other Income	
	Number	Amount	Number	Amount
Total	610	$7,968	2,380	$211,493
Agriculture & Fishing	41	$489	134	($129)
Mining, Utilities & Construction	119	$5,072	293	$19,798
Manufacturing	*d*	($700)	73	$1,565
Wholesale	44	($401)	59	$3,703
Retail	41	($545)	250	$57,084
Transportation & Warehousing	42	$193	22	$1,326
Information	0	$0	50	$437
Finance & Insurance	21	($125)	43	$4,641
Real Estate & Rental & Leasing	72	$3,955	225	$51,025
Business Services	87	($798)	424	$30,366
Education	0	$0	20	$70
Health Care & Social Assistance	*d*	$116	350	$24,107
Entertainment & Hospitality	81	$510	307	$8,190
Repair & Maintenance	20	$56	60	$1,060
Personal & Other Services	20	$148	70	$8,249
Unclassified	0	$0	0	$0

Notes: Statistics for S corporations were estimated by random sampling, therefore details may not add up to total due to rounding.
"*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 2-9
Wages Paid and Number of W-2 Forms by Industry and Corporate Return Type - 2016
(Dollar Amount in $1,000)

	All Corporations			C Corporations			S Corporations		
	Wages Paid		W-2	Wages Paid		W-2	Wages Paid		W-2
	Number	Amount	Count	Number	Amount	Count	Number	Amount	Count
Total	18,889	$15,031,246	295,904	8,056	$10,619,037	170,012	10,833	$4,412,209	125,892
Agriculture & Fishing	296	$79,737	2,496	101	$54,512	1,715	195	$25,225	781
Mining, Utilities & Construction	2,314	$1,756,153	32,131	691	$1,122,870	16,277	1,623	$633,283	15,854
Manufacturing	403	$284,761	8,855	171	$217,454	5,888	232	$67,307	2,967
Wholesale	1,376	$1,022,835	15,454	815	$812,664	11,682	561	$210,171	3,772
Retail	2,053	$1,905,480	65,792	868	$1,437,589	44,992	1,185	$467,891	20,800
Transportation & Warehousing	495	$524,037	15,157	224	$391,060	11,979	271	$132,977	3,178
Information	383	$491,299	2,032	181	$435,597	1,234	202	$55,702	798
Finance & Insurance	542	$563,020	2,981	304	$473,962	1,565	238	$89,058	1,416
Real Estate & Rental & Leasing	1,239	$942,364	6,732	571	$538,780	4,109	668	$403,584	2,623
Business Services	4,006	$3,639,428	43,308	1,706	$2,697,406	24,033	2,300	$942,022	19,275
Education	*d*	$40,771	*d*	68	$34,735	1,341	*d*	$6,036	*d*
Health Care & Social Assistance	1,621	$1,103,641	16,474	626	$694,631	8,865	995	$409,010	7,609
Entertainment & Hospitality	2,143	$2,139,550	67,623	750	$1,296,198	26,649	1,393	$843,352	40,974
Repair & Maintenance	559	$125,261	3,365	155	$55,495	1,469	404	$69,766	1,896
Personal & Other Services	1,307	$412,893	11,719	825	$356,083	8,214	482	$56,810	3,505
Unclassified	*d*	$15	*d*	0	$0	0	*d*	$15	*d*

Notes: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.
Statistics for S corporations were estimated by random sampling, therefore details may not add up to total due to rounding.

Table 2-10
Selected Expenses of Non-Apportioned C Corporations by Major Industry - 2016
(Dollar Amount in $1,000)

	No. of Entities	Returns and Allowances		Cost of Goods Sold	
		Number	Amount	Number	Amount
Total	11,160	443	$154,949	4,161	$9,907,283
Agriculture & Fishing	200	*d*	$352	88	$69,341
Mining, Utilities & Construction	824	20	$788	691	$1,928,742
Manufacturing	210	27	$2,047	183	$541,854
Wholesale	532	64	$5,751	449	$1,348,920
Retail	914	74	$1,508	823	$2,325,567
Transportation & Warehousing	250	16	$1,961	99	$484,074
Information	111	*d*	$438	43	$26,802
Finance & Insurance	559	*d*	$24	28	$8,326
Real Estate & Rental & Leasing	2,561	13	$127,561	127	$239,092
Business Services	1,381	48	$6,833	410	$2,068,388
Education	82	*d*	$262	23	$1,428
Health Care & Social Assistance	694	87	$1,996	98	$194,804
Entertainment & Hospitality	945	34	$3,731	739	$473,297
Repair & Maintenance	190	17	$135	157	$87,656
Personal & Other Services	1,707	12	$1,562	203	$108,993

Note: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 2-11

Selected Expenses of Non-Apportioned S Corporations by Major Industry - 2016

(Dollar Amount in $1,000)

	Returns and Allowances		Cost of Goods Sold		Compensation of Officers		Bad Debts		Interest Expense	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Total	732	$15,291	7,050	$7,831,109	7,691	$673,748	334	$5,628	5,761	$57,645
Agriculture & Fishing	*d*	$1	113	$56,132	164	$9,021	0	$0	93	$670
Mining, Utilities & Construction	70	$130	1,526	$2,832,674	1,228	$106,351	61	$1,108	1,020	$8,688
Manufacturing	32	$723	270	$188,278	201	$12,401	32	$212	211	$1,545
Wholesale	35	$810	476	$661,247	342	$20,843	47	$106	287	$2,396
Retail	71	$433	1,276	$1,981,838	863	$68,031	48	$2,093	609	$9,385
Transportation & Warehousing	0	$0	90	$24,976	151	$18,354	11	$92	171	$1,719
Information	*d*	$1,064	110	$36,064	120	$9,221	0	$0	60	$909
Finance & Insurance	*d*	$43	0	$0	155	$25,810	13	$119	85	$1,086
Real Estate & Rental & Leasing	32	$787	203	$122,425	517	$43,032	*d*	$137	325	$2,975
Business Services	132	$4,378	784	$1,177,998	1,425	$124,478	78	$1,665	1,105	$12,000
Education	30	$97	*d*	$913	55	$995	0	$0	*d*	$201
Health Care & Social Assistance	180	$5,785	309	$57,957	896	$122,063	*d*	$3	657	$6,214
Entertainment & Hospitality	60	$349	1,212	$486,246	899	$71,865	23	$93	620	$6,437
Repair & Maintenance	20	$27	373	$178,134	293	$20,986	0	$0	202	$1,815
Personal & Other Services	40	$663	280	$26,204	381	$20,297	0	$0	270	$1,606
Unclassified	0	$0	*d*	$22	0	$0	0	$0	*d*	$0

Notes: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Statistics for S corporations were estimated by random sampling, therefore details may not add up to total due to rounding.

Table 2-12

Distribution of Businesses, Business Receipts, Net Income, and Wages Paid for C Corporations by Major Industry and Selected Detailed Industry Categories - 2016 (Dollar Amounts in $1,000)

Industry	No. of Entities	Business Receipts		Net Profit		Net Loss		Wages Paid	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
All Industries	15,944	13,364	$71,872,890	5,452	$2,914,682	6,462	$1,432,969	8,056	$10,619,037
Agriculture & Fishing	219	206	$625,883	60	$24,204	115	$45,495	101	$54,512
Crops & Ornamentals	114	113	$493,288	30	$1,893	65	$39,735	69	$31,287
Livestock	22	21	$46,422	*d*	$11,412	*d*	$704	12	$4,215
Aquaculture	*d*	*d*	$27,539	*d*	$2,356	*d*	$2,279	*d*	$6,777
Other Animal Specialties	*d*	*d*	$7,461	*d*	$4,466	*d*	$14	*d*	$3,821
Forestry and Logging	*d*	*d*	$22,117	*d*	$1,105	*d*	$1,152	*d*	$1,682
Fishing, Hunting and Trapping	37	37	$10,113	*d*	$377	15	$1,472	*d*	$92
Agricultural Services	22	18	$18,943	*d*	$2,594	13	$140	*d*	$6,637
Mining, Utilities & Construction	1,027	974	$9,131,382	408	$229,683	373	$202,973	691	$1,122,870
Mining	11	*d*	$2,281,807	*d*	$1,009	*d*	$52,982	*d*	$56,753
Utilities	54	49	$701,869	14	$16,048	27	$80,906	15	$56,355
Construction of Buildings	256	237	$2,816,125	87	$50,468	105	$29,170	158	$326,441
Heavy and Civil Engineering Construction	72	64	$1,179,662	31	$37,420	28	$12,697	42	$141,547
Foundation, Structure & Building Exterior Contractors	58	58	$164,031	28	$7,527	15	$3,073	49	$44,881
Electrical Work	93	92	$274,981	36	$13,272	31	$4,654	69	$91,757
Plumbing, Heating & AC Contractors	69	69	$171,796	28	$6,664	28	$3,054	55	$49,766
Other Building Equipment Contractors	13	12	$51,521	*d*	$2,341	*d*	$1,822	*d*	$15,013
Building Finishing Contractors	80	78	$236,871	27	$10,801	23	$1,890	58	$85,853
Other Specialty Trade Contractors	309	294	$1,147,667	145	$84,027	102	$12,574	223	$232,168

Notes: Detail may not add to totals because some detailed categories are not shown. A business with several lines of business is classified under the primary business line only. See North American Industry Classification System for a more detailed explanation of business category.
"*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 2-12 (Continued)

Distribution of Businesses, Business Receipts, Net Income, and Wages Paid for C Corporations by Major Industry and Selected Detailed Industry Categories - 2016

(Dollar Amounts in $1,000)

Industry	No. of Entities	Business Receipts		Net Profit		Net Loss		Wages Paid	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
Manufacturing	229	216	$2,247,182	92	$39,750	90	$37,517	171	$217,454
Food & Beverages	90	86	$658,675	42	$18,695	34	$13,537	70	$103,720
Apparel & Textiles	21	20	$26,167	*d*	$1,371	*d*	$191	13	$6,793
Leather and Allied Product	*d*	*d*	$7,040	0	$0	*d*	$15	*d*	$1,473
Wood Product	*d*	*d*	$3,535	*d*	$71	*d*	$7	*d*	$989
Commercial Printing	13	13	$16,983	*d*	$141	*d*	$1,406	11	$5,974
Petroleum and Coal Products	*d*	*d*	$1,207,327	*d*	$182	*d*	$18,895	*d*	$35,422
Chemicals	*d*	*d*	$6,229	*d*	$154	*d*	$188	*d*	$6,688
Plastics and Rubber	*d*	*d*	$30,530	*d*	$1,021	*d*	$79	*d*	$3,460
Concrete	*d*	10	$93,183	*d*	$11,697	*d*	$118	*d*	$9,466
Metals & Metal Products	13	12	$64,666	*d*	$4,027	*d*	$80	*d*	$12,490
Machinery Manufacturing	*d*	0	$0	*d*	$158	*d*	$23	0	$0
Electronic & Electrical Products	*d*	*d*	$7,750	*d*	$234	*d*	$24	*d*	$3,382
Ship Building & Repair	*d*	*d*	$1,589	*d*	$54	*d*	$45	*d*	$397
Furniture	*d*	*d*	$21,514	*d*	$78	*d*	$148	*d*	$5,494

Notes: Detail may not add to totals because some detailed categories are not shown. A business with several lines of business is classified under the primary business line only. See North American Industry Classification System for a more detailed explanation of business category.

"*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 2-12 (Continued)

Distribution of Businesses, Business Receipts, Net Income, and Wages Paid for C Corporations by Major Industry and Selected Detailed Industry Categories - 2016 (Dollar Amounts in $1,000)

Industry	No. of Entities	Business Receipts		Net Profit		Net Loss		Wages Paid	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
Wholesale Trade	1,600	1,538	$11,546,928	755	$272,431	498	$158,899	815	$812,664
Motor Vehicle and Parts	52	51	$2,138,876	25	$18,748	13	$17,317	21	$33,789
Furniture and Home Furnishing	30	30	$78,209	15	$964	*d*	$1,070	*d*	$1,439
Construction Materials	58	55	$253,610	33	$5,782	14	$380	26	$25,720
Photographic Equipment	*d*	*d*	$10,800	0	$0	0	$0	0	$0
Office Equipment	*d*	*d*	$6,840	0	$0	*d*	$3,164	*d*	$1,259
Computer Equipment and Software	30	26	$265,728	13	$30,621	*d*	$338	11	$40,848
Other Commercial Equipment	*d*	*d*	$760	*d*	$26	*d*	$8	0	$0
Medical Equipment	88	86	$194,286	37	$6,064	30	$1,941	42	$12,442
Metal & Mineral (except Petroleum)	*d*	*d*	$19,659	*d*	$112	*d*	$1,732	*d*	$3,820
Home Electronics & Appliances	171	164	$693,403	72	$17,272	60	$7,595	77	$90,545
Hardware	54	51	$284,117	29	$3,376	13	$29,467	28	$23,308
Machinery, Equipment & Supplies	124	122	$606,548	72	$21,280	26	$1,324	45	$89,096
Sporting Goods	33	33	$45,089	13	$786	14	$1,787	18	$4,715
Toy and Hobby Goods	*d*	*d*	$3,837	*d*	$75	*d*	$47	*d*	$204
Recyclable Material	*d*	*d*	$80,506	*d*	$968	*d*	$4,609	*d*	$10,303
Jewelry	32	31	$27,826	16	$1,671	11	$710	23	$4,207
Paper Product	24	24	$141,865	*d*	$2,312	*d*	$1,853	19	$11,731
Drugs & Cosmetics	54	52	$1,657,951	29	$28,851	17	$17,847	33	$46,827
Apparel, Piece Goods, and Notions	72	70	$352,571	28	$15,677	26	$10,493	47	$43,774
Food & Farm Products	136	130	$1,392,309	64	$53,660	45	$17,440	88	$114,398
Chemical and Allied Products	42	42	$175,406	23	$6,887	14	$26,133	23	$42,380
Petroleum Products	21	19	$984,728	*d*	$2,402	*d*	$3,846	*d*	$6,588
Alcoholic Beverages	17	16	$227,847	*d*	$3,296	*d*	$245	*d*	$18,155
Book, Periodical, and Newspaper	*d*	*d*	$8,219	*d*	$163	*d*	$214	*d*	$1,757
Flower & Florist Supplies	11	11	$23,352	*d*	$31	*d*	$446	*d*	$3,312
Tobacco Product	*d*	*d*	$72,232	*d*	$9,306	*d*	$2	*d*	$1,149

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"*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 2-12 (Continued)

Distribution of Businesses, Business Receipts, Net Income, and Wages Paid for C Corporations by Major Industry and Selected Detailed Industry Categories - 2016

(Dollar Amounts in $1,000)

Industry	No. of Entities	Business Receipts		Net Profit		Net Loss		Wages Paid	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
Retail Trade	1,188	1,143	$14,539,712	451	$519,054	505	$80,848	868	$1,437,589
Motor Vehicle & Boat Dealers	31	31	$1,812,299	14	$55,887	12	$990	21	$123,594
Automotive Parts Dealers	35	34	$126,614	*d*	$9,756	18	$2,272	22	$20,191
Furniture and Home Furnishings	32	32	$94,905	19	$3,349	*d*	$606	22	$12,560
Electronics and Appliance	33	32	$46,460	12	$736	13	$4,680	20	$6,034
Building Material	36	34	$825,538	20	$29,161	11	$1,105	29	$81,733
Garden Equipment and Supplies	11	*d*	$50,648	*d*	$3,719	*d*	$1,377	*d*	$5,382
Grocery Stores	128	125	$1,805,442	52	$27,755	50	$4,461	114	$186,374
Bakeries	19	18	$15,952	*d*	$646	*d*	$1,981	16	$4,618
Other Specialty Food Stores	44	43	$164,875	*d*	$19,028	23	$4,167	32	$34,391
Liquor Stores	22	22	$15,813	*d*	$37	13	$399	20	$2,103
Drug Stores	13	11	$1,544,304	*d*	$75,081	*d*	$180	*d*	$132,926
Cosmetics Stores	18	18	$108,734	*d*	$10,077	11	$1,614	14	$14,186
Eyeglasses & Medical Goods	33	30	$84,729	6	$3,645	19	$1,575	18	$11,630
Gasoline Stations	53	50	$247,823	27	$5,127	13	$590	47	$20,650
Apparel & Shoes	153	149	$751,470	66	$64,458	70	$15,671	123	$80,699
Jewelry	60	58	$185,260	18	$10,617	23	$5,124	43	$23,832
Leather Goods	*d*	*d*	$140,737	*d*	$9,577	*d*	$401	*d*	$12,024
Sporting Goods Stores	22	22	$115,899	*d*	$848	*d*	$5,083	17	$11,833
Hobby, Toy, and Game Stores	11	11	$45,850	*d*	$398	*d*	$489	*d*	$3,627
Sewing & Piece Goods	*d*	*d*	$6,990	*d*	$497	*d*	$50	*d*	$1,760
Musical Instrument Stores	*d*	*d*	$1,820	*d*	$29	0	.	*d*	$270
Book Stores and News Dealers	*d*	*d*	$32,001	*d*	$287	*d*	$1,144	*d*	$4,293
General Stores	*d*	*d*	$28,264	*d*	$789	*d*	$1,105	*d*	$1,625
Department & Super Stores	48	48	$5,522,834	15	$173,523	24	$12,233	39	$500,962
Florists	22	21	$28,442	*d*	$153	12	$549	17	$3,572
Stationery Stores	19	18	$172,455	*d*	$522	*d*	$1,056	11	$22,253
Gift& Souvenir Shops	33	29	$34,657	13	$559	11	$643	25	$5,899
Used Merchandise	*d*	*d*	$17,195	*d*	$117	0	$0	*d*	$4,118
Pet Stores	*d*	*d*	$4,769	*d*	$7	*d*	$101	*d*	$700
Art Dealers	*d*	*d*	$4,710	*d*	$95	*d*	$66	*d*	$582
Non-store Retailers	31	27	$110,628	8	$745	18	$504	15	$47,676
Vending Machines	11	*d*	$9,594	*d*	$466	*d*	$224	*d*	$809
Direct Selling	81	76	$99,269	28	$1,684	31	$2,761	31	$8,585

Notes: Detail may not add to totals because some detailed categories are not shown. A business with several lines of business is classified under the primary business line only. See North American Industry Classification System for a more detailed explanation of business category.
"*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 2-12 (Continued)

Distribution of Businesses, Business Receipts, Net Income, and Wages Paid for C Corporations by Major Industry and Selected Detailed Industry Categories - 2016 (Dollar Amounts in $1,000)

Industry	No. of Entities	Business Receipts		Net Profit		Net Loss		Wages Paid	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
Transportation & Warehousing	342	314	$2,117,420	141	$77,014	125	$39,518	224	$391,060
Air Transportation	40	36	$485,452	14	$44,907	17	$15,727	23	$65,237
Water Transportation	15	12	$525,320	*d*	$3,608	*d*	$48	*d*	$82,210
Truck Transportation	67	66	$239,433	33	$11,656	24	$3,710	54	$84,147
Bus Transportation	41	39	$67,715	14	$3,771	19	$2,143	26	$19,480
Taxi & Limousine Service	33	29	$32,449	11	$1,503	14	$676	24	$8,826
Tour Transportation	47	40	$73,195	*d*	$960	18	$1,493	23	$5,470
Aviation Services	21	20	$98,114	*d*	$3,765	*d*	$1,582	17	$30,841
Marine Cargo & Salvage	*d*	*d*	$58,819	*d*	$1,004	*d*	$346	*d*	$2,436
Freight Forwarding	16	13	$94,194	*d*	$1,847	*d*	$10,648	13	$42,490
Couriers & Delivery Services	*d*	*d*	$260,386	*d*	$331	*d*	$236	*d*	$22,126
Warehousing and Storage	*d*	*d*	$9,924	*d*	$736	*d*	$32	*d*	$2,897
Information	394	338	$1,837,267	134	$186,636	174	$141,992	181	$435,597
Publishing	117	108	$189,447	36	$2,160	62	$55,357	56	$36,531
Motion Picture and Video	40	38	$336,122	*d*	$123,203	17	$1,542	19	$93,204
Sound Recording	*d*	*d*	$1,080	0	$0	*d*	$2	*d*	$113
Broadcasting	22	*d*	$181,144	11	$5,407	*d*	$2,958	*d*	$25,288
Telecommunications	70	60	$956,547	26	$50,518	22	$65,516	17	$233,160
Data Processing Services	47	36	$33,319	18	$2,789	23	$10,333	26	$10,332

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Table 2-12 (Continued)

Distribution of Businesses, Business Receipts, Net Income, and Wages Paid for C Corporations by Major Industry and Selected Detailed Industry Categories - 2016 (Dollar Amounts in $1,000)

Industry	No. of Entities	Business Receipts		Net Profit		Net Loss		Wages Paid	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
Finance & Insurance	1,078	877	$2,127,752	332	$113,318	374	$148,366	304	$473,962
Banking & Finance	99	83	$122,081	43	$1,918	37	$11,603	34	$11,329
Investment Brokers	47	40	$251,731	20	$5,400	15	$447	13	$32,313
Investors & Investor Groups	89	74	$366,042	22	$10,086	40	$56,362	25	$171,587
Insurance Services	211	191	$506,005	87	$19,045	62	$20,766	95	$122,444
Real Estate & Rental	2,916	1,976	$4,973,766	862	$329,759	1,219	$204,516	571	$538,780
Real Estate Operators	1,143	974	$1,636,075	347	$102,246	459	$66,022	184	$114,680
Real Estate Brokers	141	125	$77,692	51	$4,176	62	$4,500	59	$13,382
Real Estate Managers	212	168	$168,154	87	$18,962	66	$5,797	65	$37,206
Real Estate Appraisers	24	24	$11,870	*d*	$3,090	12	$115	19	$3,008
Motor Vehicle Rental	33	25	$818,952	15	$25,961	13	$4,645	17	$80,823
Other Consumer Goods Rental	37	35	$216,858	16	$1,326	12	$3,498	20	$15,652
Equipment Rental	85	77	$212,079	40	$4,767	35	$4,648	18	$16,277

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Table 2-12 (Continued)

Distribution of Businesses, Business Receipts, Net Income, and Wages Paid for C Corporations by Major Industry and Selected Detailed Industry Categories - 2016 (Dollar Amounts in $1,000)

Industry	No. of Entities	Business Receipts		Net Profit		Net Loss		Wages Paid	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
Business Services	3,033	2,716	$15,507,229	1,208	$745,169	1,106	$232,766	1,706	$2,697,406
Legal Services	210	196	$193,468	51	$4,537	76	$2,541	149	$108,691
Accounting Services	114	112	$145,178	38	$1,530	46	$1,566	82	$47,122
Architects	69	67	$159,580	34	$1,990	13	$379	39	$46,843
Landscape Architects	12	11	$20,557	*d*	$106	*d*	$46	*d*	$9,446
Engineering & Drafting	188	180	$649,143	85	$13,154	64	$5,981	129	$217,736
Surveying and Mapping	11	11	$5,947	*d*	$19	*d*	$378	*d*	$2,560
Testing Laboratories	13	*d*	$14,385	*d*	$25	*d*	$57	*d*	$4,825
Interior, Graphic & Other Design	27	26	$19,670	13	$490	11	$115	14	$4,204
Computer Systems Design	343	295	$415,479	132	$18,429	129	$16,072	155	$151,970
Management & Consulting	194	168	$492,902	91	$16,646	68	$5,001	102	$113,110
Research and Development	69	50	$76,507	19	$32,253	35	$19,481	36	$68,147
Advertising & Public Relations	54	49	$23,568	15	$696	22	$3,098	28	$5,779
Marketing Research & Polling	16	16	$8,354	*d*	$370	*d*	$685	*d*	$3,644
Photographers	24	22	$9,969	*d*	$140	14	$638	20	$2,527
Translation Services	*d*	*d*	$195	*d*	$24	*d*	$9	*d*	$369
Veterinary Services	15	15	$50,436	*d*	$4,447	*d*	$158	14	$17,446
Holding Companies	735	646	$10,600,144	312	$539,591	258	$141,037	358	$1,266,351
Administrative Services	49	45	$271,495	18	$10,407	15	$7,233	26	$72,031
Employment Services	77	70	$135,377	41	$3,179	18	$613	53	$72,893
Secretarial Services	6	*d*	$1,165	*d*	$24	*d*	$48	*d*	$505
Phone Answering & Telemarketing	*d*	*d*	$17	*d*	$118	*d*	$22	0	$0
Mailing & Photocopy	*d*	*d*	$3,739	*d*	$82	*d*	$1	*d*	$1,363
Collection Agencies	20	18	$7,662	*d*	$118	*d*	$218	*d*	$2,825
Travel & Tour Agencies	111	99	$1,181,508	37	$59,479	53	$7,656	78	$165,294
Investigation and Security	26	25	$145,589	12	$2,798	*d*	$372	17	$102,690
Pest Control	19	19	$23,921	*d*	$877	*d*	$218	17	$9,481
Janitorial & Maintenance	34	34	$33,070	19	$1,983	*d*	$550	18	$20,407
Landscaping Services	24	24	$21,556	12	$417	*d*	$108	18	$13,660
Carpet Cleaning	*d*	*d*	$22	0	$0	*d*	$49	*d*	$2
Waste Management	28	26	$82,693	13	$7,844	*d*	$580	21	$10,644

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Table 2-12 (Continued)

Distribution of Businesses, Business Receipts, Net Income, and Wages Paid for C Corporations by Major Industry and Selected Detailed Industry Categories - 2016 (Dollar Amounts in $1,000)

Industry	No. of Entities	Business Receipts		Net Profit		Net Loss		Wages Paid	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
Educational Services	133	117	$131,997	47	$2,225	61	$3,842	68	$34,735
Health & Care Services	747	722	$1,440,941	229	$15,779	303	$17,314	626	$694,631
Physicians	370	367	$858,095	123	$5,161	150	$4,111	320	$389,834
Dentists	170	168	$171,030	43	$1,464	68	$1,955	156	$171,892
Chiropractors	12	12	$4,530	*d*	$62	*d*	$28	11	$2,193
Optometrists	18	18	$11,049	*d*	$75	*d*	$190	16	$4,443
Psychologists	13	13	$1,684	*d*	$3	*d*	$16	*d*	$657
Physical Therapists	19	19	$10,166	8	$181	*d*	$345	14	$4,756
Outpatient Care	*d*	*d*	$127,928	*d*	$3,474	*d*	$3,056	*d*	$36,524
Medical & Diagnostic Labs	20	15	$21,676	*d*	$866	*d*	$926	15	$10,312
Home Health Care	23	21	$56,207	*d*	$1,233	14	$3,269	17	$27,580
Hospitals	*d*	*d*	$16,679	*d*	$996	*d*	$843	*d*	$2,939
Nursing & Care Homes	14	12	$35,450	*d*	$1,260	*d*	$229	*d*	$11,148
Child and Youth Services	11	*d*	$3,897	*d*	$160	*d*	$45	*d*	$1,437
Child Day Care Services	*d*	*d*	$2,339	*d*	$60	*d*	$66	*d*	$1,152
Entertainment & Hospitality	1,049	966	$4,708,836	307	$326,173	484	$87,849	750	$1,296,198
Performing Arts & Spectator Sports	75	72	$35,211	20	$261	32	$533	21	$9,797
Museums & Historical Sites	*d*	*d*	$1,611	*d*	$6	0	$0	*d*	$73
Amusement Parks	*d*	*d*	$3,524	*d*	$201	*d*	$15	*d*	$797
Other Recreational Activities	144	134	$329,880	41	$9,260	65	$24,868	82	$84,591
Transient Accommodations	94	64	$2,959,818	32	$271,868	37	$20,959	43	$833,434
Special Food Services	54	53	$313,853	22	$9,970	*d*	$1,056	42	$73,746
Drinking Places	139	136	$105,211	13	$529	94	$6,114	122	$11,362
Restaurants	314	292	$693,880	101	$25,027	141	$26,824	255	$217,506
Fast Food	172	161	$162,616	55	$5,658	75	$6,255	140	$36,123

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"*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 2-12 (Continued)

Distribution of Businesses, Business Receipts, Net Income, and Wages Paid for C Corporations by Major Industry and Selected Detailed Industry Categories - 2016 (Dollar Amounts in $1,000)

Industry	No. of Entities	Business Receipts		Net Profit		Net Loss		Wages Paid	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
Repair & Maintenance	226	217	$216,228	84	$4,983	97	$2,845	155	$55,495
Auto Repair and Maintenance	113	110	$113,447	39	$1,934	50	$1,284	89	$26,747
Computer & Electronic Repair	27	26	$22,863	*d*	$237	13	$555	15	$5,500
Industrial Repair	51	47	$66,265	23	$2,612	16	$667	33	$18,663
Home Appliance Repair	*d*	*d*	$3,395	*d*	$31	*d*	$102	*d*	$687
Furniture Repair	*d*	*d*	$1,290	0	$0	*d*	$93	*d*	$557
Personal & Other Services	1,763	1,044	$720,368	342	$28,505	938	$28,231	825	$356,083
Hair, Nail & Skin Care	69	66	$42,060	15	$305	40	$2,400	50	$16,237
Death Care Services	17	17	$44,627	11	$6,856	*d*	$1,672	13	$14,384
Self-service laundry	*d*	*d*	$11,825	*d*	$257	*d*	$661	*d*	$1,588
Dry-cleaning and Laundry	*d*	*d*	$37,870	*d*	$5,201	*d*	$2,427	*d*	$21,173
Animal Care Services	*d*	*6*	$718	*d*	$13	0	$0	*d*	$138
Photofinishing	*d*	*d*	$2,118	*d*	$0	*d*	$22	*d*	$722
Parking Lots and Garages	*d*	*d*	$11,596	*d*	$24	*d*	$155	*d*	$4,665
Organized Groups & Clubs	158	93	$33,397	30	$622	83	$1,348	38	$13,492
Property Owners Associations	1,240	611	$290,763	198	$5,861	687	$12,865	572	$231,692

Notes: Detail may not add to totals because some detailed categories are not shown. A business with several lines of business is classified under the primary business line only. See North American Industry Classification System for a more detailed explanation of business category.

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SECTION 3

FINANCIAL CORPORATIONS

Banks and other financial institutions taxable under Chapter 241 of the Hawaii Revised Statutes must file Form F-1. In lieu of an income tax, these corporations pay a franchise tax, based on their prior year Hawaii adjusted income.

For tax year 2016, 212 financial corporations filed Form F-1, reporting business receipts of $2.7 billion and net income of $486.3 million representing an increase of 44.7% from tax year 2015 of $336.0 million net income. Profits of $512.3 million were realized by 141 entities, while 61 corporations incurred losses totaling $26.0 million. A franchise tax liability of $37.6 million resulted from the profitable organizations. Corporations with $5 million or more business receipts accounted for 95.2% of the total business receipts and 68.7% of the net income, even though they only consist 17.9% of all entities (Table 3-1). Of the 212 financial corporations, 198 filed their returns in Oahu district.

Table 3-2 shows total deduction, wages paid and W-2 count for financial corporations by size of business receipts. Overall, 121 corporations paid $533.9 million in wages. Corporations with $5 million or more business receipts paid 76.8% of total wages.

Section 3

Financial Corporations

Statistical Tables

Dollar amounts and percentages are rounded and may not add up to totals.

Table 3-1

Number of Businesses, Hawaii Business Receipts, Net Profit, Net Loss, and Tax Liability for Financial Corporations by Size of Business Receipts - 2016
(Dollar Amounts in $1,000)

Size of Hawaii Business Receipts	No. of Entities	Business Receipts	Net Profit		Net Loss		Tax Liability	
			Number	Amount	Number	Amount	Number	Amount
Total	212	$2,672,979	141	$512,304	61	$25,968	141	$37,607
Under $50,000	45	$631	*d*	$139,776	26	$13,170	*d*	$9,798
$50,000 -< $100,000	*d*	$626	*d*	$80	*d*	$124	*d*	$6
$100,000 -< $500,000	46	$13,861	38	$18,462	*d*	$504	38	$408
$500,000 -< $1 million	*d*	$24,321	24	$3,075	11	$1,578	24	$242
$1 million -< $5 million	40	$89,420	31	$9,818	*d*	$3,550	31	$763
$5 million and over	38	$2,544,120	26	$341,092	*d*	$7,043	26	$26,390

Note: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 3-2
Total Deduction, Wages Paid, and W-2 Count for Financial Corporations by Size of Business Receipts - 2016
(Dollar Amounts in $1,000)

Size of Hawaii Business Receipts	Total Deduction		Wages Paid		W-2 Count
	Number	Amount	Number	Amount	
Total	205	$2,572,001	121	$533,944	1,133
Under $50,000	42	$265,603	*d*	$95,233	222
$50,000 -< $100,000	*d*	$673	*d*	$136	*d*
$100,000 -< $500,000	43	$10,505	22	$9,657	374
$500,000 -< $1 million	*d*	$22,825	21	$4,766	*d*
$1 million -< $5 million	40	$82,910	26	$13,921	164
$5 million and over	38	$2,189,485	29	$410,231	296

Note: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

SECTION 4

PARTNERSHIPS

If any partnership engages in business or trade in Hawaii, has income attributable to Hawaii, or has at least one Hawaii resident as a partner, then that partnership must file tax Form N-20. Although partnerships do not directly pay income tax, all income, deductions, credits, gains, and losses from operations must be reported on Form N-20. Partnership income is passed on to the individual partners, who must declare their share of the business income or loss on their tax returns. Any taxable entity such as an individual or corporation becomes liable for taxes due on these passed on profits.

For tax year 2016, some 10,443 partnerships with business activities in Hawaii filed Form N-20 (Table 4-1). Note that the number of partnerships without Hawaii business activities was estimated from the sample and subtracted from the total number of returns, therefore the count of entities for partnerships has some margin of error. Hawaii business receipts of partnerships for 2016 were $16.6 billion. Partnerships with business receipts under $10,000 accounted for 11.9% of all N-20 filings, while 27.7% showed zero business income. Partnerships with $1 million or more business receipts made up 14.8% of all N-20 filings.

From the distribution summary presented in Table 4-3, about 23% of registered partnerships were engaged in the real estate and rental industry, contributing 11.8% of total business revenues. Mining, utilities & construction industry generated the largest business receipts of $5.1 billion or 31.0% of total business revenues even though they made up only 7.1% of total returns. Average partnership receipts for this group were $6.9 million. In contrast, average partnership receipts for the real estate and rental industry were $819,000 each.

In 2016, apportioned partnerships numbered 3,086 and made up 29.6% of all partnerships. These apportioned partnerships accounted for 40.5% of total partnership receipts, or $6.7 billion. For this segment, net profits were $459.1 million, and net losses were $399.1 million. All other partnerships declared gross receipts of $9.9 billion, recording $1.4 billion in net profits, and $843.8 million in net losses. Overall, more than half, or 52.3%, of all partnerships reported net profits in 2016. All partnerships generated net income of $590.6 million (Table 4-6).

Section 4

Partnerships

Statistical Tables

Dollar amounts and percentages are rounded and may not add up to totals.

Table 4-1

Distribution of Partnership Returns by Taxation District and by Industry - 2016

Industry Group	Taxation District				
	All	Oahu	Maui	Hawaii	Kauai
Total	10,443	8,274	839	835	495
Agriculture & Fishing	404	157	59	178	*d*
Mining, Utilities & Construction	741	540	81	61	59
Manufacturing	209	120	19	38	32
Wholesale	433	362	30	40	0
Retail	771	478	101	112	81
Transportation & Warehousing	154	108	25	15	*d*
Information	202	163	0	32	*d*
Finance & Insurance	1,569	1,519	20	*d*	20
Real Estate & Rental & Leasing	2,397	2,038	100	150	110
Business Services	1,614	1,385	140	30	59
Education	92	55	15	21	0
Health Care & Social Assistance	311	252	20	*d*	30
Entertainment & Hospitality	1,072	740	173	89	70
Repair & Maintenance	108	78	*d*	20	*d*
Personal & Other Services	368	279	50	30	*d*

Notes: Number of tax returns without Hawaii activities for partnerships was estimated from the sample and subtracted from the total.

"*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 4-2

Distribution of Partnership Returns by Taxation District and Size of Hawaii Business Receipts - 2016

Size of Hawaii Business Receipts	Taxation District				
	All	Oahu	Maui	Hawaii	Kauai
Total	10,443	8,274	839	835	495
No Business Receipts	2,894	2,587	99	112	96
Under $10,000	1,238	900	150	148	40
$10,000 < $25,000	518	383	*d*	83	*d*
$25,000 < $50,000	678	498	118	29	33
$50,000 < $100,000	813	636	*d*	72	*d*
$100,000 < $250,000	1,235	860	157	148	69
$250,000 < $500,000	792	604	90	62	36
$500,000 < $1 million	726	529	73	54	70
$1 million and over	1,550	1,276	84	127	62

Notes: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.
Number of tax returns without Hawaii activities for partnerships was estimated from the sample and subtracted from the total number of returns.

Table 4-3
Number of Businesses, Hawaii Business Receipts, Net Income, and Wages Paid for Partnerships by Industry and Size of Business Receipts - 2016
(Dollar Amounts in $1,000)

	No of Entities	Business Receipts	Net Profit		Net Loss		Wages Paid		W-2 Count
			Number	Amount	Number	Amount	Number	Amount	
Total	10,443	$16,588,823	5,461	$1,833,528	4,921	$1,242,930	2,370	$2,075,678	67,311
Industry Groups									
Agriculture & Fishing	404	$156,778	157	$17,557	247	$12,347	59	$3,904	393
Mining, Utilities & Construction	741	$5,142,328	418	$210,643	312	$138,301	210	$466,152	5,917
Manufacturing	209	$530,118	93	$31,073	116	$18,720	67	$34,011	1,693
Wholesale	433	$798,710	237	$41,106	196	$14,019	139	$47,828	1,173
Retail	771	$1,059,311	445	$29,706	325	$58,781	266	$150,656	5,005
Transportation & Warehousing	154	$347,006	88	$16,469	66	$7,527	68	$88,066	5,747
Information	202	$78,087	97	$6,762	105	$4,449	45	$2,961	110
Finance & Insurance	1,569	$164,297	829	$238,747	739	$133,072	90	$10,213	50
Real Estate & Rental & Leasing	2,397	$1,962,196	1,059	$544,998	1,318	$364,983	201	$123,958	1,170
Business Services	1,614	$2,086,333	983	$264,267	620	$108,622	609	$436,683	10,814
Education	92	$81,502	49	$51,190	43	$490	21	$1,517	214
Health Care & Social Assistance	311	$691,814	230	$126,307	81	$17,638	111	$160,515	10,882
Entertainment & Hospitality	1,072	$2,996,664	507	$227,429	545	$312,651	394	$453,071	23,695
Repair & Maintenance	108	$143,528	88	$12,422	20	$554	29	$8,077	199
Personal & Other Services	368	$350,150	180	$14,850	189	$50,775	60	$88,067	248
Size of Hawaii Business Receipts									
No Business Receipts	2,894	$0	1,068	$491,908	1,826	$414,255	62	$17,985	151
Under $10,000	1,238	$4,628	389	$13,156	849	$33,313	92	$3,144	215
$10,000 < $25,000	518	$8,612	280	$2,190	228	$7,487	30	$539	40
$25,000 < $50,000	678	$25,274	309	$15,614	370	$9,661	63	$3,565	88
$50,000 < $100,000	813	$59,691	499	$12,281	303	$10,217	112	$26,153	1,213
$100,000 < $250,000	1,235	$202,284	938	$35,123	297	$52,082	346	$20,955	1,240
$250,000 < $500,000	792	$272,709	508	$40,452	274	$43,891	296	$26,342	2,187
$500,000 < $1 million	726	$511,144	497	$61,339	209	$36,376	384	$62,090	4,852
$1 million and over	1,550	$15,504,481	973	$1,161,466	566	$635,649	984	$1,914,905	57,327

Note: Numbers of tax returns without Hawaii activities for partnerships were estimated from the sample and subtracted from the total number of returns.

Table 4-4
Selected Expenses of Non-Apportioned Partnerships by Major Industry - 2016 (Dollar Amount in $1,000)

	Total Expenses [1]		Returns and Allowances		Cost of Goods Sold	
	Number	Amount	Number	Amount	Number	Amount
Total	6,849	$9,634,595	372	$16,124	2,838	$4,593,761
Agriculture & Fishing	345	$148,779	0	$0	99	$86,514
Mining, Utilities & Construction	562	$1,484,969	20	$185	336	$1,154,007
Manufacturing	209	$518,817	16	$629	152	$448,732
Wholesale	267	$226,050	*d*	$1	228	$160,558
Retail	720	$934,729	92	$3,917	650	$684,582
Transportation & Warehousing	134	$340,707	0	$0	42	$49,587
Information	105	$36,090	0	$0	*d*	$2,341
Finance & Insurance	220	$45,701	0	$0	*d*	$112
Real Estate & Rental & Leasing	1,698	$1,048,172	40	$1,499	139	$653,922
Business Services	866	$1,007,277	20	$26	256	$490,482
Education	80	$10,193	*d*	$28	31	$530
Health Care & Social Assistance	250	$549,408	30	$628	50	$155,203
Entertainment & Hospitality	954	$3,095,203	71	$8,640	596	$613,389
Repair & Maintenance	91	$117,636	13	$205	75	$76,892
Personal & Other Services	348	$70,863	50	$366	149	$16,911

[1] Includes total deduction, cost of goods sold and returns and allowances.

Notes: Statistics for partnerships were estimated by random sampling, details may not add up to total due to rounding.

"*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 4-5
Hawaii Business Receipts, Net Profit, Net Loss, and Wages Paid
By Number of Partners - 2016
(Dollar Amount in $1,000)

	Number of		Business Receipts		Net Profit		Net Loss		Wages Paid	
	Entities	Partners	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Total	10,443	105,422	7,549	$16,588,823	5,461	$1,833,528	4,921	$1,242,930	2,370	$2,075,678
Unknown	307	n/a	207	$277,398	163	$204,931	145	$1,843	49	$8,413
2	5,777	11,555	4,647	$8,638,121	3,065	$711,255	2,701	$476,785	1,297	$933,864
3	1,162	3,486	801	$2,428,682	614	$221,213	538	$184,106	346	$364,421
4	812	3,249	576	$985,249	415	$141,131	387	$114,667	138	$66,035
5	435	2,173	256	$653,090	199	$94,026	226	$126,842	126	$139,986
6	322	1,932	232	$680,548	167	$49,614	155	$55,033	86	$83,801
7 to 9	440	3,375	301	$799,247	222	$64,712	209	$93,043	131	$121,304
10 to 19	553	7,533	273	$1,051,213	274	$238,054	269	$100,567	104	$130,197
20 to 49	284	7,984	134	$610,257	151	$55,593	133	$14,569	49	$145,369
50 to 99	142	9,957	72	$405,693	72	$21,079	70	$38,979	22	$80,803
100 or more	209	54,179	50	$59,324	120	$31,919	90	$36,495	20	$1,486

Notes: Statistics for partnerships were estimated by random sampling, details may not add up to total due to rounding. n/a = not available.

Table 4-6

Number of Businesses, Hawaii Business Receipts, Net Income, and Wages Paid for Partnerships by Return Type - 2016
(Dollar Amounts in $1,000)

	No of Entities	**Business Receipts**	**Net Profit**		**Net Loss**		**Wages Paid**		**W-2 Count**
			Number	Amount	Number	Amount	Number	Amount	
All	10,443	$16,588,823	5,461	$1,833,528	4,921	$1,242,930	2,370	$2,075,678	67,311
Non--Apportioned	7,357	$9,866,903	3,796	$1,374,380	3,510	$843,787	1,457	$1,173,776	57,604
Apportioned	3,086	$6,721,920	1,665	$459,149	1,411	$399,142	913	$901,902	9,707
Percent of Total									
Non--Apportioned	70.4%	59.5%	69.5%	75.0%	71.3%	67.9%	61.5%	56.5%	85.6%
Apportioned	29.6%	40.5%	30.5%	25.0%	28.7%	32.1%	38.5%	43.5%	14.4%

Note: Statistics for partnerships were estimated by random sampling, details may not add up to total due to rounding.

SECTION 5

PROPRIETORSHIPS

Sole proprietors are required to file Schedule C and/or Schedule F with their federal individual income tax returns. Schedule F is used to record farm activities, while Schedule C is used for all other businesses. Since single-member limited liability companies (LLCs) are classified as if they were a sole proprietorship, they have to file Schedules C, E and/or F with their individual income tax returns. Their schedules are included in the proprietorship count. Proprietors operating several businesses will often file multiple schedules. For this report, each schedule is treated as a separate entity.

Although not technically recognized as proprietors, some individuals receive rental income from real estate holdings. Federal Schedule E, Part 1, is used to report any revenue or loss derived from such activities. For the purpose of this study, any real estate rental recorded on Schedule E is considered a proprietorship entry, and included herein.

Due to lack of data access for federal tax returns in 2016, data from Hawaii resident individual income tax return Form N-11 (line52-54) were used to summarize proprietorship business receipts. Since N-11 only has one line for each federal schedule (C,E, and F), taxpayers have to reconcile all their business receipts from different business entities on each schedule if they have multiple business entities categorized to the same schedule. This leads to underestimation of number of business entities.

Sole proprietorships accounted for 78.3% of all Hawaii business entities in 2016. Of the 152,686 registered proprietorships, 96,386 included Schedules C and F with their federal returns, while 56,300 attached Schedule E. Business receipts from proprietors totaled $8.7 billion, which comprised 7.0% of all business revenues in the state (Table 1-1). Approximately 62.3% of proprietors had revenues under $25,000, accounted for only 10.6% of total revenue from proprietorships, whereas 746 proprietors or 0.5% of proprietors recorded business receipts $1 million or more and accounted for approximately 25.2% of total proprietorship revenues (Table 5-2).

Section 5

Proprietorships

Statistical Tables

Dollar amounts and percentages are rounded and may not add up to totals.

Table 5-1

Distribution of Proprietorship Returns by Taxation District and Size of Hawaii Business Receipts [1] - 2016

Size of Hawaii Business Receipts	Taxation District				
	All	Oahu	Maui	Hawaii	Kauai
Total	152,686	98,118	22,016	23,137	9,415
Under $1,000	9,831	6,355	1,199	1,686	591
$1,000 - < $5,000	24,120	14,738	3,544	4,238	1,600
$5,000 - < $10,000	18,362	10,954	*2897*	3,262	1,249
$10,000 - < $25,000	42,867	27,987	6,128	6,192	2,560
$25,000 - < $50,000	26,809	18,027	*3783*	3,439	1,560
$50,000 - < $100,000	15,681	10,272	2,358	2,127	924
$100,000 - < $250,000	9,715	6,266	1,423	1,392	634
$250,000 - < $500,000	3,125	2,064	410	465	186
$500,000 - < $1 million	1,430	937	185	232	76
$1 million and over	746	518	89	104	35

[1] Individual taxpayers with more than one schedule C (E or F) reconcile their gross receipts on form N11, therefore the numbers of entities are underestimated.

Table 5-2

Number of Businesses and Business Receipts of Proprietorships by Size of Business Receipts - 2016
(Dollar Amounts in $1,000)

Size of Hawaii Business Receipts	No of Entities [1]	Business Receipts
Total	152,686	$8,679,054
Under $1,000	9,831	$4,993
$1,000 - < $5,000	24,120	$63,639
$5,000 - < $10,000	18,362	$135,341
$10,000 - < $25,000	42,867	$712,753
$25,000 - < $50,000	26,809	$941,038
$50,000 - < $100,000	15,681	$1,088,881
$100,000 - < $250,000	9,715	$1,481,231
$250,000 - < $500,000	3,125	$1,085,842
$500,000 - < $1 million	1,430	$978,312
$1 million and over	746	$2,187,025

[1] Individual taxpayers with more than one schedule C (E or F) reconcile their gross receipts on form N11, therefore the numbers of entities are underestimated.