

TAXES AND GOVERNMENT EXPENDITURES

Hawaii's tax structure has many features which provide a favorable tax climate for industry and investment. All major taxes are State administered and collected. There are no multiple local taxes, no personal property taxes, no special levies for school districts, etc. Real property tax rates, set by the county governments, are levied on a uniform statewide assessment ratio and administered under a statewide property reappraisal program.

Hawaii's per capita tax payment for state and local governments of \$297 in 1965 ranked eighth among the states. However, when per capita tax is measured as a percent of per capita income, Hawaii ranks 18th among the states.

Information on taxes and tax collections in Hawaii can be obtained from the Department of Taxation. Publications of the Department of Taxation include the monthly and annual reports of Tax Base for Certain Taxes, Hawaii Income Patterns, and Outline of Hawaii's Tax System. The Department of Planning and Economic Development publishes a brief resume of the tax laws in Hawaii's Tax Climate.

Government expenditures and Federal grants are reported annually by the Department of Accounting and General Services, the Department of Budget and Finance, County auditors, and the U. S. Department of Commerce.

A convenient compilation of information on these subjects is the publication, Government in Hawaii, A Handbook of Financial Statistics, published annually by the Tax Foundation of Hawaii, a privately-supported, non-profit organization.

Table 27 -- PER CAPITA STATE AND LOCAL GOVERNMENT TAXES IN
HAWAII: 1958 TO 1965

Year	Per capita tax collections		Per capita tax as a percent of per capita income	
	Amount	State Rank ¹	Percent	State Rank ¹
1958 ...	\$213.34	5	11.7%	3
1959 ...	235.43	5	12.7	1
1960 ...	238.62	7	11.3	7
1961 ...	259.81	4	11.3	11
1962 ...	265.66	5	11.3	10
1963 ...	255.99	14	10.7	18
1964 ...	272.01	11	11.0	17
1965 ...	297.17	8	11.3	18

1. Hawaii's rank among the 50 states and the District of Columbia.

Sources: U. S. Department of Commerce: State Tax Collections, and Government Finances; Survey of Current Business; Department of Budget and Finance, State of Hawaii.

Table 28 -- TAX COLLECTIONS IN HAWAII BY THE FEDERAL, STATE AND COUNTY GOVERNMENTS: 1951 TO 1965
(in millions of dollars)

Year ¹	Total	Federal	State of Hawaii	Counties
1951 ...	173.9	98.0	71.5	4.3
1952 ...	216.5	135.0	76.8	4.6
1953 ...	218.1	136.3	76.7	5.0
1954 ...	219.7	136.2	78.3	5.3
1955 ...	210.8	126.3	79.1	5.4
1956 ...	231.6	140.7	85.4	5.5
1957 ...	253.9	154.3	93.8	5.8
1958 ...	287.2	166.3	114.6	6.3
1959 ...	314.3	175.2	132.7	6.4
1960 ...	372.0	216.9	148.2	6.8
1961 ...	414.0	242.3	164.3	7.3
1962 ...	453.0	272.2	172.8	8.0
1963 ...	454.6	271.2	175.3	8.2
1964 ...	493.3	293.4	191.3	8.6
1965 ...	507.7	255.8	212.8	9.2

1. Data are for fiscal years ending June 30.

Sources: Department of Accounting and General Services, Department of Taxation; Finance Department, City and County of Honolulu; and County Auditors.

Table 29-- PER CAPITA DIRECT EXPENDITURE BY STATE AND LOCAL GOVERNMENTS IN HAWAII: 1960 TO 1965

Year	All expenditures	Hawaii's ranking among states	Public school	Higher education	Highways	Health and welfare
1960 ...	\$372.06	6	\$108.01	-	\$40.82	59.81
1961 ...	414.80	5	127.57	-	40.50	60.74
1962 ...	426.93	5	132.42	-	37.73	60.14
1963 ...	460.30	5	105.79	40.45	39.84	71.43
1964 ...	491.55	5	108.78	38.59	46.26	74.16
1965 ...	494.40	5	117.57	40.79	50.99	78.92

1. Total includes expenditures for police and fire protection, general control, interest on debt and other expenditures.

2. Hawaii's rank in total per-capita expenditures in ranking of all states and the District of Columbia.

3. Includes amount spent for higher education.

Source: U. S. Department of Commerce, Governmental Finances, for years shown.

Table 30 -- FEDERAL GRANTS TO HAWAII FOR SELECTED PURPOSES: 1955 TO 1965
(in thousands of dollars)

Year	Total	Airports	Education	Health ¹	Highways	Public Welfare ²	School Construction
1955 ...	18,615	83	2,057	1,823	3,045	3,684	1,388
1956 ...	19,766	166	1,993	1,546	2,583	3,667	2,031
1957 ...	20,136	246	2,462	1,704	3,104	3,723	1,134
1958 ...	28,930	29	2,804	2,287	3,513	3,818	1,686
1959 ...	31,371	254	3,982	2,187	4,380	4,132	2,044
1960 ...	42,776	2,146	6,604	2,431	4,379	3,946	2,331
1961 ...	46,510	532	7,631	2,986	4,207	3,443	2,719
1962 ...	53,511	1,169	8,111	2,132	4,352	5,123	1,078
1963 ...	59,556	1,231	11,902	3,864	6,625	6,174	1,335
1964 ...	58,366	309	12,134	3,161	8,610	6,584	396
1965 ...	58,563	2,075	13,844	2,916	11,051	6,032	201

1. Includes grants for hospital construction, public health and Hansen's Disease.

2. Includes grants for dependent children, old-age assistance and other welfare.
Does not include assistance to veterans.

Source: Department of Accounting and General Services, State of Hawaii, reports of the State Comptroller.