

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 state-wide assessment ratio and administered under a statewide property reappraisal program.

Hawaii's per capita tax payment for state and local governments of \$412 in 1967 ranked second among the states. Hawaii also ranked second among the states for per capita tax measured as a percent of per capita income.

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. This handbook compares Hawaii's expenditures, tax collections, certain government salaries and public indebtedness with those of the other states.

Table 29. -- PER CAPITA STATE AND LOCAL GOVERNMENT TAXES
IN HAWAII: 1958 TO 1967

Year ending June 30	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...	297.91	8	10.7	22
1966...	365.32	3	12.7	2
1967p..	411.99	2	13.2	2

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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.

Table 30. -- TAX COLLECTIONS IN HAWAII BY THE FEDERAL, STATE AND COUNTY GOVERNMENTS: 1951 TO 1967
(in millions of dollars)

Year ending June 30	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	290.2	212.7	9.2
1966...	596.8	323.6	263.2	10.0
1967...	619.8	339.6	267.8	12.4

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

Table 31. -- PER CAPITA DIRECT EXPENDITURE BY STATE AND LOCAL GOVERNMENTS IN HAWAII: 1960 TO 1966

Year (ending June 30)	All expenditures ¹	Hawaii's ranking among states ² (all expend.)	Public school	Higher education	Highways	Health and welfare	Police and fire
1960...	\$372.06	6	\$108.01 ³	--	\$40.82	59.81	21.51
1961...	414.80	5	127.57 ³	--	40.50	60.74	21.16
1962...	426.93	5	132.42 ³	--	37.73	60.14	19.97
1963...	460.30	5	105.79	40.45	39.84	71.43	22.04
1964...	491.55	5	108.78	38.59	46.26	74.16	23.37
1965...	494.40	5	117.57	40.79	50.99	78.92	24.99
1966...	564.11	6	130.99	56.61	56.36	91.46	28.06

1. Total includes expenditures for 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 32. -- FEDERAL GRANTS TO HAWAII FOR SELECTED PURPOSES: 1955 TO 1967
(in thousands of dollars)

Year ending June 30	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	202
1966...	76,874	389	19,539	3,221	18,014	8,353	268
1967...	103,198p	147	31,203	4,103	23,367	11,511	1,678

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.

Table 33. -- TAX BASE DATA FOR SELECTED CATEGORIES, STATE OF HAWAII: 1958-1967
(in millions of dollars)

Year ending Dec. 31	Wages	Retailing	Wholesaling	Rentals	Services	Diversified Mfg.	Diversified Agriculture (producing)
1958...	586	665	283	111	136	104	52
1959...	775	756	320	134	165	129	50
1960...	867	847	355	153	189	146	51
1961...	934	860	360	171	203	169	53
1962...	992	921	386	195	228	158	54
1963...	1,034	928	396	208	232	171	58
1964...	1,114	999	436	236	241	179	56
1965...	1,208	1,098	483	276	261	189	63
1966...	1,317	1,185	547	304	277	205	63
1967...	1,439	1,272	571	362	306	218	67

Source: Department of Taxation, General Excise and Use Tax Base (1966 and 1967) and General Excise, Consumption and Compensating Tax Base for other years.