

## SECTION 14

# Government Finances and Employment

This section presents statistics relating to the financial structure and civilian employment of Federal, State and local government in Hawaii.

Local government is vested in one combined City-County (Honolulu, consisting of the Island of Oahu and numerous outlying islets), three non-metropolitan Counties (Hawaii, Kauai, and Maui), and one area (Kalawao County), the latter administered by the State Department of Health. Separate municipal governments do not exist. The Counties establish real property tax rates but, except for licenses, permits and fees, tax collections are the responsibility of the State.

Tax collections by Federal, State and County governments in fiscal 1969 reached \$922 million, triple the level reported ten years earlier. The 1969 total included \$527 million in U.S. taxes, \$380 million in State taxes, and less than \$16 million in County licenses and fees.

Individual income taxes accounted for 78 percent of Federal collections and 23 percent of State collections in Hawaii in 1969.

State revenue receipts totalled \$497 million, chiefly from the General Excise and Use Tax (\$137 million) and Federal grants-in-aid (\$123 million).

The largest expenditure item in the State accounts for 1969 was education, with \$196 million (out of \$481 million) going to the University of Hawaii and public schools and libraries. The Counties, in contrast, depended largely on the real property tax for their revenues. They reported police and fire protection as their largest single expenditure item.

Assessed valuation of the State doubled between 1960 and 1970; during the same decade, the average County tax rate increased 54 percent. Public bonded debt outstanding at the end of 1969 exceeded \$631 million. Average employment reported for 1969 was 71,200, about 31 percent over the 1959 average but still less than the 1944 peak of 78,617. The 1969 total included 34,700 Federal workers, 26,100 persons employed by the State, and 10,300 persons on County payrolls.

Important sources for statistics on government in Hawaii include the 1967 U.S. Census of Governments and various annual publications of the Bureau of the Census, reports of the U.S. Treasury Department, Hawaii State Departments of Accounting and General Services, Budget and Finance, and Taxation, and the County auditors and finance directors, and an annual compilation issued by the Tax Foundation of Hawaii, *Government in Hawaii: A Handbook of Financial Statistics*. Comparable Mainland statistics appear in the *Statistical Abstract of the United States: 1969*, Sections 14 and 15.

Table 84. -- TAX COLLECTIONS, 1852 TO 1969, AND GOVERNMENT EMPLOYMENT, 1939 TO 1969, BY LEVEL OF GOVERNMENT

Year	Tax collections in Hawaii (\$1,000) <sup>1</sup>				Government employment (annual averages) <sup>2</sup>			
	Total	Federal	Hawaii	Counties	Total	Federal	Hawaii	Counties
1852-53 .....	170	--	170	--	(NA)	(NA)	(NA)	--
1860-62 .....	211	--	211	--	(NA)	(NA)	(NA)	--
1870-72 .....	409	--	409	--	(NA)	(NA)	(NA)	--
1880-82 .....	772	--	772	--	(NA)	(NA)	(NA)	--
1890-92 .....	1,334	--	1,334	--	(NA)	(NA)	(NA)	--
1901 .....	2,088	102	1,986	--	(NA)	(NA)	(NA)	--
1910 .....	(NA)	209	2,894	(NA)	(NA)	(NA)	(NA)	(NA)
1920 .....	(NA)	11,930	7,547	(NA)	(NA)	(NA)	(NA)	(NA)
1929 .....	(NA)	5,607	15,484	(NA)	(NA)	(NA)	(NA)	(NA)
1934 .....	20,114	5,747	12,764	1,603	(NA)	(NA)	(NA)	(NA)
1939 .....	36,102	11,894	22,307	1,901	20,495	9,642	5,990	4,863
1944 .....	192,837	150,781	40,015	2,041	78,617	66,809	6,550	5,258
1949 .....	161,273	91,203	66,355	3,715	40,119	24,082	9,392	6,645
1954 .....	224,394	136,175	82,916	5,303	42,630	24,721	10,713	7,196
1959 .....	314,277	175,176	132,693	6,408	48,320	26,200	14,290	7,830
1964 .....	493,311	293,453	191,235	8,623	54,440	28,440	17,150	8,850
1965 .....	512,066	290,164	212,712	9,190	57,840	29,690	18,880	9,270
1966 .....	596,646	323,614	263,239	9,793	62,630	31,620	21,260	9,750
1967 .....	652,681	342,842	297,410	12,429	66,340	33,900	22,630	9,810
1968 .....	778,291	440,237	324,323	13,731	69,350	35,090	24,420	9,840
1969 .....	922,122	526,624	379,881	15,617	71,200	34,700	26,100	10,300

NA Not available.

1. Data before 1901 are annual averages for biennial periods ended December 31, 1853 and March 31, 1862 to 1892. Data for 1901 forward are for fiscal years ended June 30, except for the City and County of Honolulu, 1934 and 1944-1959, and Hawaii, Kauai and Maui Counties, 1934 and 1944-1966, all of which refer to the previous calendar year, and the County total for 1939, which refers to that calendar year.

2. Excludes armed forces but includes civilian defense employees.

Source: Federal tax collections from U. S. Internal Revenue Service, records. Hawaii tax collections, 1852-1954, from Robert M. Kamins, The Tax System of Hawaii (1952), pp. 164 and 174-175, and Hawaii's Revised Tax System (1957), pp. 39-41; 1959-1969 from Tax Foundation of Hawaii, Government in Hawaii for 1968 (p. 17) and 1970 (p. 18). County tax collections, 1934 and 1944-1954, from Chamber of Commerce of Honolulu, Facts and Faces, 4th ed. (1955), p. 17; 1939 and 1959-1969 from Tax Foundation of Hawaii, Government in Hawaii for 1968 (p. 17) and 1970 (p. 18), and records. Government employment, 1939-1954, from U. S. Office of Business Economics, Income of Hawaii (1953), p. 20 and 1955 supplement; 1959-1969 from Hawaii Department of Labor and Industrial Relations, Labor Force Estimates (annual) and records.

Table 85. -- FEDERAL, STATE, AND COUNTY TAX COLLECTIONS, BY SOURCE: 1959 TO 1969  
(Years ended June 30. In thousands of dollars.)

Level of government and source	1959	1964	1968	1969
Total, all levels .....	314,277	493,311	778,291	922,122
Federal collections .....	175,176	293,453	440,237	526,624
Individual income and employment .....	132,024	225,116	336,171	410,939
Corp. income and excess profits .....	30,730	52,416	53,611	81,138
Other sources .....	12,422	15,921	50,455	34,547
State .....	132,693	191,235	324,323	379,881
General excise and use .....	54,623	71,099	114,460	137,236
Fuel .....	13,176	16,058	21,911	23,917
Public service companies .....	3,766	7,262	10,545	10,841
Corporate income .....	5,601	7,053	11,196	13,749
Individual net income .....	25,681	34,665	70,309	86,496
Real property .....	18,074	34,272	63,705	70,296
Unemployment compensation .....	3,496	9,374	11,461	13,325
Other sources .....	8,276	11,452	20,736	24,021
Counties <sup>1</sup> .....	6,408	8,623	13,731	15,617
Motor vehicle weight .....	4,207	5,454	8,777	9,173
Other sources .....	2,201	3,169	4,954	6,444

1. Previous calendar year for Honolulu, 1959, and Hawaii, Kauai, and Maui, 1959 and 1964.  
Source: Tax Foundation of Hawaii, Government in Hawaii, 1970, pp. 18 and 36.

Table 86. -- STATE REVENUE RECEIPTS, BY SOURCE, AND OPERATING EXPENDITURES,  
 BY FUNCTION: 1968 AND 1969  
 (For years ended June 30. In thousands of dollars.)

Source of revenue	Revenue, 1968 (total)	Revenue, 1969		
		Total	General Fund	Special funds
All revenue receipts .....	418,103	497,425	390,420	107,005
Tax revenues .....	253,499	301,757	272,374	29,383
General excise tax .....	114,518	137,234	137,234	--
Other taxes .....	138,981	164,523	135,140	29,383
Federal grants-in-aid .....	104,557	123,171	89,358	33,813
Departmental earnings .....	21,245	20,143	14,106	6,038
Other sources .....	38,802	52,354	14,582	37,771
Function		Expenditures		
		1968	1969	
All expenditures .....		416,453	480,625	
General government .....		23,318	30,002	
Public safety .....		20,354	19,922	
Highways .....		36,223	45,013	
Natural resources .....		13,963	15,231	
Health, sanitation, hospitals, institutions .....		25,527	28,336	
Public welfare .....		31,436	37,615	
University .....		63,007	72,842	
Public schools and libraries .....		108,630	123,097	
Recreation .....		2,084	2,174	
Utilities and other enterprises .....		15,627	21,542	
Interest .....		7,764	10,026	
Bond redemptions .....		13,634	15,434	
Retirement and pension .....		18,887	22,528	
Employees' health and hospital insurance .....		3,566	4,579	
Unemployment compensation .....		13,761	12,098	
Grants-in-aid to Counties .....		11,427	12,442	
Miscellaneous .....		7,246	7,744	

Source: Tax Foundation of Hawaii, Government in Hawaii, 1970, pp. 21 and 41.

Table 87. -- OPERATING REVENUES, BY SOURCE, AND OPERATING EXPENDITURES,  
 BY OBJECT, FOR COUNTIES: 1969  
 (For year ended June 30. In thousands of dollars.)

Subject	City & Co. of Honolulu	County of Maui	County of Hawaii	County of Kauai
OPERATING REVENUES				
Total .....	98,282	9,542	13,631	6,221
Real property taxes .....	60,375	3,432	4,794	1,743
Other taxes .....	15,054	1,393	1,545	808
Licenses, fees, permits, fines .....	4,633	327	523	159
Departmental earnings .....	5,936	581	571	257
State grants .....	4,598	3,770	4,421	2,743
Federal grants .....	2,535	--	333	161
Land sales .....	3,474	--	1,257	--
Other sources .....	1,676	40	188	350
OPERATING EXPENDITURES				
Total .....	96,351	8,972	13,562	6,333
General government .....	9,759	1,287	2,549	946
Police and fire .....	18,484	2,146	2,956	1,649
Other protection .....	5,098	156	841	175
Highways .....	6,831	1,544	2,313	1,340
Health and sanitation .....	7,824	500	373	442
Recreation .....	7,034	1,049	1,596	444
Interest .....	5,437	354	304	105
Bond redemption .....	10,773	369	729	267
Pension and retirement .....	5,844	1,142	1,519	696
Urban redevelopment .....	4,827	--	--	--
Miscellaneous .....	1,603	426	382	268
Cash cap. improvement .....	12,837	--	--	--

Source: Tax Foundation of Hawaii, Government in Hawaii, 1970, pp. 30, 31, 42, and 43.

Table 88. -- GENERAL EXCISE AND USE TAX BASE AND COLLECTIONS: 1959 TO 1969

Source of revenue	Tax base (\$1,000)			Tax collections (\$1,000)		
	1959 <sup>1</sup>	1968	1969	1959 <sup>1</sup>	1968	1969
Total <sup>2</sup> .....	2,158,081	4,548,105	5,450,401	58,983	124,792	151,078
Retailing .....	756,003	1,423,835	1,670,287	26,409	56,975	66,823
Services .....	165,402	358,851	451,814	5,776	14,344	18,015
Contracting .....	206,822	451,697	624,957	7,188	18,027	24,987
Theater, amusement, etc.	21,174	36,203	39,220	726	1,450	1,569
Interest .....	13,764	31,251	35,372	479	1,234	1,415
Commissions .....	41,211	72,779	82,984	1,437	2,909	3,319
Rentals .....	134,060	417,247	490,856	4,688	16,652	19,634
Consumption .....	35,824	--	--	1,245	--	--
Use (4%) .....	--	61,885	69,922	--	2,474	2,782
Others .....	19,707	46,534	56,150	694	1,868	2,245
Insurance solicitors ....	--	11,713	13,604	--	234	274
Sugar processing .....	113,865	184,663	196,744	2,846	910	984
Pineapple canning .....	98,957	114,554	116,466	2,474	573	582
Public utilities .....	10,563	--	--	370	--	--
Producing .....	49,509	67,483	65,729	497	337	329
Manufacturing .....	129,123	234,071	279,482	1,281	1,175	1,397
Wholesaling .....	320,194	651,512	747,204	2,403	3,262	3,736
Services (intermediary) .	11,376	19,958	20,338	86	101	102
Compensating .....	80,194	--	--	227	--	--
Use (1/2%) .....	--	362,647	487,908	--	1,813	2,440

1. General excise, consumption and compensating tax data.

2. Includes minor sources not shown separately.

Source: Hawaii State Department of Taxation, annual tabular releases.

Table 89. -- REAL PROPERTY TAX VALUATIONS, 1902 TO 1970, AND REAL PROPERTY TAX RATES AND COLLECTIONS, 1960 AND 1970

Year	Assessor's gross valuation (\$1,000) <sup>1</sup>	Year	Assessor's gross valuation (\$1,000) <sup>1</sup>	Year	Assessor's gross valuation (\$1,000) <sup>1</sup>
1902 .....	60,952	1930 .....	283,857	1960 .....	3,173,626
1910 .....	75,793	1940 .....	350,734	1965 .....	4,574,005
1920 .....	155,238	1950 .....	772,784	1970 <sup>2</sup> .....	6,555,382

  

Year and County	Assessor's gross valuation (\$1,000) <sup>1</sup>			Total exemptions (\$1,000) <sup>3</sup>	Net taxable valuation (\$1,000)	County tax rates per \$1,000 val. (dollars) <sup>4</sup>	Real property tax collections (\$1,000)
	Total	Land	Improvement				
1960, total...	3,174,073	1,829,141	1,344,932	1,310,344	1,863,729	12.18	21,871
Honolulu...	2,752,760	1,595,517	1,157,243	1,185,343	1,567,417	11.70	17,663
Maui .....	147,047	76,333	70,714	42,860	104,187	13.61	1,399
Hawaii ....	186,293	107,794	78,499	58,623	127,670	15.10	1,838
Kauai.....	87,973	49,496	38,477	23,518	64,455	15.50	970
1970 total <sup>2</sup> ..	6,555,382	3,816,477	2,738,905	2,465,690	4,089,692	18.79	76,344
Honolulu...	5,636,717	3,283,198	2,353,519	2,200,636	3,436,081	19.21	65,523
Maui .....	308,960	167,765	141,195	84,161	224,799	15.00	3,366
Hawaii ....	425,316	252,698	172,618	131,958	293,358	17.90	5,247
Kauai .....	184,389	112,816	71,573	48,935	135,454	16.50	2,208

1. The assessment ratio was 40 per cent of market value in 1940, 30 percent in 1950, and 70 percent in 1960, 1965 and 1970. Ratios before 1940 are not available.

2. Year ended June 30. Tax collections for 1970 are estimated.

3. Includes Federal real property (\$675,512 in 1970), State (\$719,561), County (\$236,981), Hawaiian Homes Commission (\$8,026), homes (\$385,529 fee, \$107,536 leasehold), public utilities (\$44,196), and religious, charitable, educational, hospitals, etc. (\$288,349).

4. State figures for both 1960 and 1970 and County data for 1970 are weighted averages. Since 1965, County rates have differed for land and improvements and also for different land use classes.

Source: Tax valuations from The Hawaiian Annual for 1937, p. 31, and the Hawaii State Department of Taxation, Real Property Tax Valuations and Tax Rates (annual) and records. Tax rates and collections from the Tax Foundation of Hawaii, Government in Hawaii, 1970, p. 28.

Table 90. -- STATE INCOME TAX RESIDENT RETURNS FOR 1966,  
BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income class	Number of returns	Adjusted gross income <sup>1</sup> (\$1,000)	Net taxable income (\$1,000)	Tax liability (\$1,000)
Total taxable resident returns ..	200,562	1,619,784	1,030,994	58,292
\$600-4,999 .....	72,838	197,138	107,482	4,155
\$5,000-9,999 .....	71,786	526,490	310,023	14,911
\$10,000-24,999 .....	51,915	722,703	483,085	28,534
\$25,000-49,999 .....	3,304	107,862	81,989	6,277
\$50,000-99,999 .....	582	37,914	29,479	2,607
\$100,000 or more .....	137	27,677	18,936	1,809

1. The median for taxable returns was \$6,725; for taxable and non-taxable returns, \$5,559. For single taxable and non-taxable returns, it was \$2,418; for joint returns, \$9,017.

Source: Hawaii State Department of Taxation, Hawaii Income Patterns-1966, Individuals (September 1969), pp. 9 and 12.

Table 91. -- PUBLIC BONDED DEBT OF STATE AND COUNTY GOVERNMENTS:  
DECEMBER 31, 1969

Governmental unit and funds charged with debt service costs	All bonds (\$1,000)	Issued by State (\$1,000)	Issued by Counties (\$1,000)
Total .....	631,315	439,468	191,847
State .....	423,076	423,073	3
General fund .....	202,656	202,656	--
Highway fund .....	59,198	59,195	3
Airport fund .....	18,512	18,512	--
Airport Revenue .....	85,000	85,000	--
Harbor fund (revenue) .....	29,413	29,413	--
All others .....	28,297	28,297	--
City and County of Honolulu .....	185,779	11,270	174,509
General fund .....	136,931	11,270	125,661
All others .....	48,848	--	48,848
County of Maui, total .....	10,996	789	10,207
County of Hawaii, total .....	8,786	3,654	5,132
County of Kauai, total .....	2,678	683	1,996

Source: Tax Foundation of Hawaii, Government in Hawaii, 1970, p. 59.



Table 92. -- EMPLOYMENT AND PAYROLLS OF STATE AND LOCAL GOVERNMENT:  
OCTOBER 1967

Subject	State and local governments	State	Local governments <sup>1</sup>		
			Total <sup>2</sup>	City & Co. of Honolulu	Other Counties
Number of employees .....	35,257	26,196	9,061	6,090	2,969
Full-time .....	31,023	22,237	8,786	5,924	2,862
Part-time .....	4,234	3,959	275	166	107
Full-time equivalent employment ....	31,932	23,082	8,850	5,973	2,877
Education .....	15,911	15,911	--	--	--
Functions other than education..	16,021	7,171	8,850	5,973	2,877
October payrolls (\$1,000) .....	19,292	13,964	5,328	3,650	1,678
Education .....	9,566	9,566	--	--	--
Other than education .....	9,725	4,397	5,328	3,650	1,678
Median annual rate of pay (dollars) ..	6,827	6,913	6,687	6,719	6,622
Teachers .....	8,552	8,552	--	--	--
Other than teachers .....	(NC)	5,921	6,687	6,719	6,622

NC Not computed.

1. The 1967 Census of Governments reports data for 19 local governments in Hawaii: one municipality (the City and County of Honolulu), three counties (Hawaii, Kauai, and Maui), and 15 special districts (three soil conservation districts on Oahu and 12 on other islands).

2. Includes data for the 15 special districts, not shown separately in this table.

Source: U. S. Bureau of the Census, Census of Governments, 1967. Vol. 7: State Reports, No. 11: Hawaii (1970), pp. 13, 14, 16, and 17.