

## SECTION 13

# 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 and 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) 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 1970 reached \$1,055 million, double the level reported five years earlier. The 1970 total included \$601 million in U.S. taxes, \$438 million in State taxes, and \$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, and reported police and fire protection as their largest single expenditure item. Assessed valuation of the State doubled between 1963 and 1970. Public bonded debt outstanding at the end of 1969 exceeded \$631 million. Average employment reported for 1970 was 73,740, about 49 percent over the 1960 average but still less than the 1944 peak of 78,617. The 1970 total included 33,420 Federal workers, 30,660 persons employed by the State, and 9,660 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: 1970*, Sections 14 and 15.

**Table 90.—TAX COLLECTIONS, 1852 TO 1970, AND GOVERNMENT EMPLOYMENT, 1939 TO 1970,  
BY LEVEL OF GOVERNMENT**

Year	Tax collections in Hawaii (\$1,000) <sup>1</sup>				Government employment (annual averages) <sup>2</sup>			
	Total	Federal	State	Counties	Total	Federal	State	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	69,230	34,970	24,420	9,840
1969 .....	922,122	526,624	379,881	15,617	71,130	34,680	26,090	10,360
1970 .....	1,055,004	600,626	438,397	15,981	73,740	33,420	30,660	9,660

NA Not available.

<sup>1</sup>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.

<sup>2</sup>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; 1959-1970 from Tax Foundation of Hawaii, *Government in Hawaii* for 1968 (p. 17) and 1970 (p. 18) and records. County tax collections, 1934 and 1944-1954, from Chamber of Commerce of Honolulu, *Facts and Faces*, 4th ed. (1955), p. 17; 1939 and 1959-1970 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; 1959-1970 from Hawaii Department of Labor and Industrial Relations, *Labor Force Estimates* (annual) and records.

**Table 91.—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
Indiv. 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

<sup>1</sup>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 92.— STATE 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 93.—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
<b>OPERATING REVENUES</b>				
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
License, 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
<b>OPERATING EXPENDITURES</b>				
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 capital improvement .....	12,837	—	—	—

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

**Table 94.—GENERAL EXCISE AND USE TAX BASE AND COLLECTIONS: 1960, 1969, AND 1970**

Source of revenue	Tax base (\$1,000)			Tax collections (\$1,000)		
	1960 <sup>1</sup>	1969	1970	1960 <sup>1</sup>	1969	1970
Total .....	2,410,855	5,450,401	6,207,690	65,887	150,640	171,711
Retailing .....	846,729	1,670,288	1,895,089	29,584	66,823	75,792
Services .....	188,752	451,814	504,191	6,663	18,015	20,162
Contracting .....	268,530	624,957	782,972	9,363	24,987	31,309
Theater, amuse., etc. ....	21,940	39,220	43,588	764	1,569	1,743
Interest .....	16,475	35,372	35,704	576	1,415	1,428
Commissions .....	44,307	82,984	86,799	1,549	3,319	3,472
Hotel rentals .....	153,134	490,856	176,923	5,333	19,634	7,077
Other rentals .....			354,745			14,190
Consumption .....	44,874	—	—	1,568	—	—
Use (4%) .....	—	69,922	72,138	—	2,782	2,885
All others .....	23,974	56,150	60,691	778	2,245	2,410
Public utilities airlines .....	12,695	—	—	444	—	—
Insurance solicitors .....	939	13,604	17,908	14	274	358
Sugar processing .....	99,079	196,744	175,337	1,969	984	877
Pineapple canning .....	96,939	116,466	114,634	2,234	582	573
Producing .....	50,631	65,729	74,642	482	329	373
Manufacturing .....	145,739	279,482	285,251	1,455	1,397	1,426
Blind vendors .....	584	1,365	1,048	6	7	5
Wholesaling .....	354,598	747,204	854,660	2,658	3,736	4,273
Services (intermediary) .....	11,951	20,338	27,138	90	102	136
Compensating .....	28,984	—	—	218	—	—
Use (½%) .....	—	487,908	644,232	—	2,440	3,221

<sup>1</sup>General excise, consumption and compensating tax base.

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

**Table 95.—ASSESSED VALUATION OF REAL-PROPERTY: 1860 TO 1971**

(In thousands of dollars. Real property has been legally assessed at 70 percent of market value since 1956. The ratio was 60 percent from 1952 to 1956, 30 percent from 1943 to 1951, and unspecified for earlier years.)

Year	Assessor's gross valuation	Valuation for tax rate purposes	Year	Assessor's gross valuation	Valuation for tax rate purposes
1860 <sup>1</sup> .....	3,417	(NA)	1960 .....	3,174,073	1,820,104
1870 .....	5,396	(NA)	1961 .....	3,327,737	1,958,352
1880 .....	12,194	(NA)	1962 .....	3,630,203	2,146,472
1890 .....	18,483	(NA)	1963 .....	3,810,422	2,270,903
1901 .....	58,548	(NA)	1964 <sup>2</sup> .....	2,988,028	2,544,552
1910 .....	75,793	(NA)	1965 .....	4,574,005	2,749,162
1920 .....	155,238	144,734	1966 .....	5,036,156	3,069,066
1930 .....	283,903	202,102	1967 .....	(NA)	3,416,194
1940 .....	350,734	183,048	1968-1969 .....	6,044,461	3,639,215
1950 .....	772,784	333,644	1969-1970 .....	6,555,382	4,062,060

  

County	Assessor's gross valuation, 1970-1971			Total exemptions, 1970-1971	Assessor's net taxable valuation, 1970-1971	Valuation for tax rate purposes, 1970-1971
	Total	Land	Improvement			
The State .....	7,663,518	4,335,564	3,327,953	2,994,141	4,669,377	4,627,047
Honolulu .....	6,347,918	3,509,328	2,838,589	2,601,801	3,746,117	3,716,169
Maui .....	442,640	266,225	176,415	128,724	313,916	310,100
Hawaii .....	628,971	406,922	222,049	200,000	428,971	427,152
Kauai .....	243,989	153,089	90,900	63,616	180,373	173,626

NA Not available.

<sup>1</sup>Earliest year available. The first real property tax law was enacted in 1859.

<sup>2</sup>Tax exempt property assessed at \$1 rather than 70 percent of market value.

Source: *Biennial Report of the Minister of Finance* for 1870 and 1872; *Report of the Auditor General* for 1886 and 1892; *Report of the Treasurer* ... 1933; *Report of the Tax Commissioner* for 1940 and 1950; Hawaii State Department of Taxation, annual tabular releases for 1960-1971.

**Table 96.—STATE INCOME TAX RESIDENT RETURNS FOR 1967, BY ADJUSTED GROSS INCOME CLASSES**

Adjusted gross income class	Number of returns <sup>1</sup>	Adjusted gross income <sup>2</sup> (\$1,000)	Net taxable income (\$1,000)	Tax liability (\$1,000)
Total .....	243,217	1,792,129	1,134,116	65,439
Taxable returns .....	205,713	1,754,166	1,134,116	65,439
\$600 to \$4,999 .....	70,695	189,307	103,967	4,034
\$5,000 to \$9,999 .....	71,995	529,798	319,559	15,617
\$10,000 to \$14,999 .....	39,312	477,002	308,070	16,963
\$15,000 to \$19,999 .....	14,181	241,627	166,617	10,455
\$20,000 to \$24,999 .....	4,509	99,506	71,237	4,885
\$25,000 to \$49,999 .....	4,060	132,793	99,296	7,577
\$50,000 to \$99,999 .....	771	51,021	39,715	3,495
\$100,000 to \$149,999 .....	116	14,118	11,087	1,036
\$150,000 and over .....	74	18,994	14,567	1,376
Non-taxable returns .....	37,504	37,963	—	—
Loss .....	675	-2,984	—	—
Under \$600 .....	20,496	6,595	—	—
\$600 to \$4,999 .....	15,417	24,784	—	—
\$5,000 and over .....	916	6,585	—	—

<sup>1</sup>The median for taxable returns was \$7,069 (\$3,745 for single returns and \$10,223 for joint returns); for taxable and non-taxable returns, it was \$5,860 (\$2,646 for single returns and \$9,575 for joint returns).

<sup>2</sup>Totals and subtotals exclude losses.

Source: Hawaii State Department of Taxation, *Hawaii Income Patterns 1967. Individuals* (June 1970), pp. 2 and 12.



**Table 97.—PUBLIC BONDED DEBT OF STATE AND COUNTY GOVERNMENTS: DECEMBER 31, 1969**

Government 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 98.—EMPLOYMENT AND PAYROLLS OF STATE AND LOCAL GOVERNMENTS:  
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.

<sup>1</sup>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).

<sup>2</sup>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.