Earned Income Tax Credit Report

Tax Year 2024

(January 1, 2024 – December 31, 2024)

Department of Taxation

State of Hawai‘i

December 2025

STATE OF HAWAIʻI
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1. INTRODUCTION

Act 107, Session Law of Hawaii (SLH) 2017, requires the Department of Taxation (DOTAX) to prepare an annual public report to the legislature and the governor containing the following information for the state earned income tax credit (EITC):

1. Number of credits granted for the prior calendar year;
2. Total amount of the credits granted; and
3. Average value of the credits granted to taxpayers whose earned income falls within various income ranges.

Act 107, SLH 2017, created section 235-55.75, Hawaii Revised Statutes (HRS), to establish a state nonrefundable EITC equal to 20% of the federal EITC claimed on the qualifying taxpayer's federal income tax return for taxable years 2018 through 2022. Pursuant to Act 107, SLH 2017, any unused credit in the current tax year could be carried forward to future years until exhausted.

Act 114, SLH 2022, made the state EITC refundable and permanent starting in tax year 2023. Pursuant to Act 114, SLH 2022, carryforwards of nonrefundable EITC for tax years 2018 through 2021 expire at the end of the 2024 tax year.

Act 163, SLH 2023, increased the amount of the credit from 20% to 40% of the federal EITC allowed and properly claimed under Internal Revenue Code (IRC) section 32 starting in tax year 2023. Act 163 became effective on June 30, 2023, applies to taxable years beginning after December 31, 2022, and will be repealed on December 31, 2027.

A qualifying individual taxpayer is a taxpayer that: (1) files a federal income tax return for the tax year and claims the earned income credit under IRC section 32, and (2) files a Hawai‘i income tax return (Form N-11 for residents, Form N-15 for nonresidents/part-year residents) for the tax year using the same filing status used on the federal income tax return, and claiming the same dependents claimed on the federal income tax return.

To claim this credit, taxpayers need to complete Form N-356 and Schedule CR and attach them to their return. For part-year residents, the tax credit is prorated by the ratio of Hawai‘i adjusted gross income (AGI) to total AGI.

2. DATA SOURCE AND METHODOLOGY

The primary data source for the study is DOTAX's GenTax program. The data are from individual income tax returns (Forms N-11 and N-15) in conjunction with Schedule CR, “Schedule of Tax Credits.” The data include all tax returns that were filed for tax year 2024 and processed by October 31, 2025, with a query run on November 3, 2025.

3. ANALYSES OF THE TAX CREDIT

This section describes the EITC for tax year 2024, including unused nonrefundable EITC from previous years carried forward and applied against tax liabilities in tax year 2024. It also compares the amount of the tax credit that was claimed in tax year 2024 to the two previous years.

Unused tax credits from tax years 2018 through 2021 cannot be carried over for taxable years beginning after December 31, 2024. Furthermore, Act 25, SLH 2025, eliminates the unlimited carryforward in the nonrefundable EITC from tax year 2022, effective for taxable years beginning after December 31, 2025.

3.1. Claims for the Earned Income Tax Credit by Income Range

In tax year 2024, 80,279 taxpayers claimed the state EITC, amounting to $78.5 million, up from $75.6 million in 2023 and $19.7 million in 2022. Taxpayers with federal AGI less than $45,000 claimed 91.1% of the total credit and 85.2% of the returns. The highest average amount per claim (at $1,516) was from taxpayers with a federal AGI between $15,000 and $29,999. The lowest average amount per claim (at $468) was from taxpayers with a federal AGI of $55,000 or more.

Table 1
Claims for the Earned Income Tax Credit by Income Range
Tax Year 2024

Federal Adjusted Gross Income Range	Total Credit Carried over from Last Tax Year		Total New Credit Claimed for This Tax Year		Unused Credit Carried over to Next Tax Year		Total Credit Applied to This Tax Year		Average Amount per Claim
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
less than $15,000	7,093	$4,251,540	28,306	$15,341,832	7,056	$4,241,883	28,395	$15,351,489	$541
$15,000 to $29,999	5,140	$6,361,951	21,269	$32,830,657	4,688	$6,244,563	21,736	$32,948,045	$1,516
$30,000 to $44,999	3,322	$3,848,220	17,880	$22,847,547	2,771	$3,481,635	18,268	$23,214,132	$1,271
$45,000 to $54,999	923	$1,062,058	8,552	$5,163,793	514	$699,902	8,732	$5,525,949	$633
$55,000 or more	1,086	$1,016,760	2,392	$797,199	287	$339,270	3,148	$1,474,689	$468
Total	17,564	$16,540,529	78,399	$76,981,028	15,316	$15,007,253	80,279	$78,514,304	$978

Total tax credits carried over from last tax year amounted to $16.5 million while newly claimed tax credits in 2024 totaled $77.0 million. A total of $15.0 million of unused credits will be carried over to next tax year.

3.2. Claims for the Earned Income Tax Credit by Tax District

Table 2
Claims for the Earned Income Tax Credits by Tax District
Tax Year 2024

Tax District	Number of Credits Claimed	Amount of Credit	Average Amount per Claim
Oʻahu (District 1)	52,488	$50,017,316	$953
Maui (District 2)	9,352	$8,928,620	$955
Hawaiʻi (District 3)	14,455	$15,742,869	$1,089
Kauaʻi (District 4)	3,984	$3,825,499	$960
State Total	80,279	$78,514,304	$978

* Tax returns that have an out-of-state address are allocated to Oahu.

The most claims (52,488 or 65.4%) and largest amount ($50.0 million or 63.7%) for the tax credit were from Oʻahu district followed by Hawaiʻi, Maui, and Kauaʻi. This is in line with the population distribution in each district. The highest average amount per claim was from Hawaiʻi district at $1,089 per return, which has the lowest personal income per capita among the four counties (DBEDT Data Book 2024, Table 13.12).

3.3. Claims for the Earned Income Tax Credit by Resident Status

Residents who filed Forms N-11 claimed 94.6% of the total number of credits and 97.3% of the total amount. The rest of the credits were claimed by nonresidents/part-year residents who filed Forms N-15. Residents claimed an average of $1,006 while nonresidents /part-year residents claimed an average of $481.

Table 3
Claims for the Earned Income Tax Credits by Resident Status
Tax Year 2024

Tax Form	Number of Credits Claimed	Amount of Credit	Average Amount per Claim
Forms N-11	75,946	$76,429,023	$1,006
Forms N-15	4,333	$2,085,281	$481
Total	80,279	$78,514,304	$978

3.4. Claims for the Earned Income Tax Credit by Filing Status

The most common filing status claiming the credit and the largest recipient in dollar amount were head of household taxpayers (33,166 or 41.3% of total number of claims, which represents $43.6 million or 55.5% of the total amount of credit). They also had the highest average value of the credit at $1,313 per return.

Table 4
Claims for the Earned Income Tax Credits by Filing Status
Tax Year 2024

Filing Status	Number of Credits Claimed	Amount of Credit	Average Amount per Claim
Single	28,280	$11,975,115	$423
Joint	18,571	$22,656,631	$1,220
Married filing separately	209	$256,668	$1,228
Head of household	33,166	$43,557,504	$1,313
Qualifying surviving spouse	53	$68,386	$1,290
Total	80,279	$78,514,304	$978