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# **Hawaii Individual Income Tax Statistics**

**Tax Year 2014**

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**DEPARTMENT OF TAXATION**

**STATE OF HAWAII**

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David Y. Ige, Governor

DEPARTMENT OF TAXATION

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**STATE OF HAWAII**

**November 2016**

**Prepared by Tax Research and Planning Office**

**WEB SITE: [tax.hawaii.gov](http://tax.hawaii.gov)**



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## Introduction

This study examines statistics from Hawaii individual income tax returns that were filed by resident and nonresident taxpayers for tax year 2014. Nonresident taxpayers include part-year residents and nonresidents who have Hawaii individual income tax liabilities. The Department of Taxation (Department) has prepared annual studies on individual income tax statistics since 1958, but work on the studies was discontinued after 2008, owing to cutbacks in personnel in the wake of the Great Recession. The study for tax year 2012 was the first one published since the study for tax year 2005 was published in February of 2008. The present study is for tax year 2014.

Every individual doing business in the State must file an individual income tax return, whether or not the individual derives taxable income from the business. Also, every individual receiving more gross income than a threshold amount must file a tax return. Generally, the threshold amount for resident taxpayers is the sum of the standard deduction and the personal exemption. For individuals who may be claimed as a dependent on the tax return of another taxpayer (dependent taxpayers), the threshold amount is the standard deduction amount. For nonresident taxpayers, the threshold amount is prorated according to the portion of the taxpayer's total income that is included in Hawaii adjusted gross income (AGI). Taxpayers with income below the threshold may nevertheless want to file an individual income tax return to claim refundable tax credits.

This study presents data taken from Hawaii individual income tax returns filed by all resident and nonresident taxpayers for tax year 2014. In 2014 residents could file Form N-11 or Form-N-13 to pay their Hawaii individual income tax. The shorter and simpler Form N-13 is available for resident taxpayers with taxable income below \$100,000 who do not itemize deductions or claim adjustments to income. Form N-11 may be used by an individual taxpayer who is a resident and who files a federal income tax return. Form N-11 uses federal AGI as the starting point for calculating Hawaii taxable income. Nonresidents with Hawaii income tax liabilities and part-year residents must use Form N-15.

## Hawaii's Individual Income Tax Law and the Internal Revenue Code

Hawaii generally follows federal definitions for taxable income of individuals, and the State Legislature annually passes legislation to conform Hawaii's income tax law to selected changes to the Internal Revenue Code (IRC). However, there are a number of differences between the income tax laws of Hawaii and the IRC. One major difference is in the definition of taxable income. The IRC definition of taxable income includes social security benefits, distributions from employer-provided pensions, interest on U.S. savings bonds, contributions made to a Hawaii individual housing account and in 2014, the first \$6,137 of Hawaii National Guard duty or military reserve pay, whereas Hawaii's does not.

On the other hand, Hawaii includes in taxable income cost-of-living allowances paid to federal civilian employees in Hawaii, State or County employee contributions to the Hawaii state government contributory plan or to the hybrid plan of the Employees Retirement System, and interest on state and local government bonds issued by jurisdictions outside of Hawaii, whereas the IRC does not. Hawaii generally does not conform to tax credits in the IRC and offers a number of its own tax credits that are not available in the IRC.

Hawaii does not conform to the standard deductions or personal exemptions in the IRC. Hawaii's regular personal exemption was \$1,144 in 2014, whereas the federal personal exemption was \$3,950. However, Hawaii allows an extra personal exemption for taxpayers who are at least 65 years of age and an exemption of \$7,000 for a person who is blind, deaf, or totally disabled.

The federal standard deduction for 2014 was \$12,400 for married couples filing a joint tax return, \$6,200 for single individuals and married couples filing separate tax returns and \$9,100 for a head of household, with an additional standard deduction of \$1,200 for the aged or blind (\$1,500 if the taxpayer is single and not a surviving spouse). Hawaii's standard deductions for 2014 were \$4,400 for joint returns, \$2,200 if the taxpayer was single or a married individual filing separately, and \$3,212 for a head of household.

The federal exemption and standard deduction amounts are adjusted for inflation each year, whereas Hawaii's standard deduction and exemption amounts are not automatically adjusted for inflation.

## Individual Income Tax Legislation

Hawaii's Legislature enacted several measures related to individual income taxes that were effective for tax year 2014, of which the following are the most prominent:

### ***Act 60, Session Laws of Hawaii (SLH) 2009***

Created new top tax brackets for ordinary income of 9%, 10%, and 11% for taxable years 2009 through 2015, after which the top rate is scheduled to return to 8.25%.

### ***Act 14, SLH, Special Session I, 2009***

Phased out the personal exemption for certain high income taxpayers for tax years 2009 through 2014.

### ***Act 97, SLH 2011***

Repealed the state tax deduction and capped itemized deductions for certain high income taxpayers for taxable years 2011 through 2015. The caps are set to expire December 31, 2015. The Act also delayed (until 2013) and made permanent a 10% increase in the standard deduction and personal exemption.

### ***Act 256, SLH 2013***

Amended section 3 of Act 97, SLH 2011, by carving out charitable contributions from the hard cap amounts. Thus, the total itemized deductions that may be claimed by taxpayers who meet or exceed the income thresholds is limited to the lesser of the overall limitations set by the IRC in tax year 2009, or the hard cap set by Act 97 plus allowable charitable contributions. Act 256 was effective for taxable years beginning after December 31, 2012.

### ***Act 88, SLH 2014***

Conformed Hawaii income tax law to the IRC as of December 31, 2013, and made various technical amendments.

## Data Source and Methodology

Data for this report were collected from the Department's Integrated Tax Information Management System (ITIMS), which provides data in electronic form. Data from the ITIMS Tax Processing System (ITPS) were retrieved for income tax returns filed for tax year 2014 and processed by March 31, 2016. A total of 703,548 tax returns were extracted for the study. The data taken from the tax returns are items as reported by individuals, before any subsequent audits, but after automatic adjustments that the Department made when processing the returns.

The data items on the tax returns were checked for accuracy by examining the largest entries for each item and checking them against images of the tax returns, and by making sure that figures for total income, deductions, exemptions, and taxable income were consistent with each other.

In conformity to Internal Revenue Service Publication 1075, the Hawaii Department of Taxation does not publish or disclose statistics or other information that may identify, directly or indirectly, a particular taxpayer. The Department of Taxation does not disclose tabulations containing: data for fewer than 10 returns at the state level, fewer than 20 returns at the county level, or individual returns that represent a large percentage of the tabulation. Additional tabulations may be suppressed in statistical tables that would allow the reader to infer the quantities of the tabulations which were originally suppressed.

## Number of Tax Returns Filed By Type of Return and Filing Status

Residents filed a total of 618,366 Hawaii individual income tax returns for tax year 2014. Approximately 97% of the resident tax returns were filed on Form N-11 and 3% were filed on form N-13. Of the resident tax returns, 71% were filed by taxpayers on Oahu, 12% by taxpayers on Maui, 13% by taxpayers on Hawaii and 5% by taxpayers on Kauai (the total is greater than 100% due to rounding).

Nonresidents filed a total of 85,182 Hawaii individual income tax returns, or approximately 12% of the total number of returns filed. For residents and nonresidents, the income class for Hawaii AGI less than \$5,000 (including tax returns showing losses) contained the most returns. Returns in this income class accounted for 16% of all resident returns and 52% of all nonresident returns.

**Table 1**  
**Types of Individual Income Tax Returns Filed for Tax Year 2014**

			By Hawaii AGI Class <sup>1/</sup>			
Hawaii AGI Class			Forms N-11	Forms N-13	Forms N-15	All Individual Returns
Less than	\$5,000		91,046	9,384	44,386	144,816
\$5,000 under	\$10,000		46,268	1,814	9,956	58,038
\$10,000 under	\$20,000		80,851	2,638	10,815	94,304
\$20,000 under	\$30,000		72,557	2,088	5,834	80,479
\$30,000 under	\$40,000		61,692	1,655	3,547	66,894
\$40,000 under	\$50,000		47,164	989	2,224	50,377
\$50,000 under	\$75,000		74,298	1,036	3,162	78,496
\$75,000 under	\$100,000		46,336	303	1,741	48,380
\$100,000 under	\$150,000		45,377	26	1,579	46,982
\$150,000 under	\$200,000		16,418	0	702	17,120
\$200,000 under	\$300,000		9,397	0	550	9,947
\$300,000 and over			7,029	0	686	7,715
Total - All Returns			598,433	19,933	85,182	703,548

			By Tax District <sup>2/</sup>			
Tax District			Forms N-11	Forms N-13	Forms N-15	All Individual Returns
Oahu (District 1)			423,211	14,481	80,572	518,264
Maui (District 2)			69,609	1,615	1,793	73,017
Hawaii (District 3)			74,707	3,145	2,039	79,891
Kauai (District 4)			30,906	692	778	32,376
Total - All Returns			598,433	19,933	85,182	703,548

1/ Includes both taxable and nontaxable tax returns.

2/ Forms N-15 for nonresidents that have an out-of-state address are allocated to Oahu.

Table 2 shows the distribution of the number of tax returns and of Hawaii AGI by filing status. Among residents, the 'Single' filing status accounted for 51% of returns. 'Joint' (Married, filing jointly) accounted for 36% of resident returns. 'Head of household,' 'Qualified widower' and 'Married, filing separately' together accounted for 13% of resident returns. Among nonresident tax returns, the most common filing status was 'Joint' (51%), followed by 'Single' (39%). Tax returns with 'Joint' status accounted for 61% of total Hawaii AGI for resident tax returns and 48% of Hawaii AGI for the nonresident returns. Tax returns with 'Single' status accounted for 28% of the total Hawaii AGI reported on the resident tax returns and for 40% of the total Hawaii AGI reported on the nonresident tax returns.

**Table 2**  
**Number of Tax Returns and Hawaii AGI by Filing Status – 2014**  
(Dollar amounts are in millions)

Status	Residents				Nonresidents			
	No. Returns	% of Total	Hawaii AGI*	% of Total	No. Returns	% of Total	Hawaii AGI*	% of Total
Joint	220,510	35.7%	\$18,803	60.9%	43,098	50.6%	\$452	48.2%
Single	315,838	51.1%	\$8,727	28.3%	33,122	38.9%	\$375	40.0%
Married, filing separately	13,266	2.1%	\$706	2.3%	5,696	6.7%	\$59	6.3%
Head of Household	68,420	11.1%	\$2,602	8.4%	3,240	3.8%	\$51	5.4%
Qualified Widow(er)	332	0.1%	\$15	0.1%	26	0.0%	\$0	0.0%
Total	618,366	100.0%	\$30,854	100.0%	85,182	100.0%	\$937	100.0%

Note: Details may not add to totals due to rounding.

\*Includes returns with negative AGI.

## Highlights of Statistics from Resident Tax Returns

### Resident Income and Adjustments

Selected data from resident tax returns are shown in Appendix Tables A-1 and A-2. Figure 1 on the next page shows the major components of resident tax returns for tax year 2014. Residents with taxable income reported aggregate Hawaii AGI of \$32.5 billion on their Hawaii income tax returns for 2014. Of the total, \$32.2 billion was reported on Form N-11 while the remaining \$0.3 billion was reported on Form N-13. Residents with nontaxable income reported aggregate Hawaii AGI of -\$1.6 billion on Form N-11 and \$3.6 million on Form N-13.

Federal AGI is the starting point for calculating Hawaii taxable income on Form N-11. Hawaii AGI is derived by subtracting income that is taxed by the federal government but not by Hawaii and adding income that is taxed by Hawaii but not by the federal government. The largest income items subtracted from federal AGI are social security benefits and certain employer-provided pensions. The largest income items added to federal AGI are cost-of-living allowances for civilian federal employees, contributions to the state employees' retirement system, and interest on out-of-state bonds. Federal AGI is not reported on Form N-13.

**Figure 1**  
**Components of a Resident Tax Return**  
(Dollar amounts are in millions)

	Taxable Returns	Non-Taxable Returns
<b>Income</b> from all sources other than exempt pensions and social security	\$32,045	\$ (663)
<i>plus</i>		
<b>Adjustments</b> to income <u>1/</u>	\$425	\$ (950)
<i>equals</i>		
<b>Hawaii AGI</b>	\$32,470	\$ (1,614)
<i>minus</i>		
<b>Total Deductions</b> Itemized deductions or the standard deduction <u>2/</u>	\$5,069	\$1,235
<i>and minus</i>		
<b>Exemptions</b>	\$1,206	\$291
<i>equals</i>		
<b>Taxable Income</b>	\$26,195	na
<i>times applicable tax rates equals</i>		
<b>Tax Liabilities</b>	\$1,786	na
<i>minus</i>		
<b>Tax Credits</b> <u>3/</u>	\$137	\$16
<i>equals</i>		
<b>Tax After Credits</b>	\$1,649	\$ (16)

Note: Details may not add to totals due to rounding. "na" denotes "not applicable."

1/ Adjustments to income include Hawaii tax refunds, student loan interest, payments to IRA plans, part of reservist or National Guard wages, adjustments for self employed individuals, certain business expenses, moving expenses, alimony paid, forfeited interest, health savings accounts, educator expenses, and federal adjustments.

2/ Itemized deductions are the sum of charitable contributions, interest, taxes, medical and dental expenses, casualty losses and miscellaneous deductions. For more information, see page 10 of this report.

3/ Tax credits available to individuals in 2014 (including carryovers of credits from prior years) include those for refundable food/excise taxes, low-income household renters, child and dependent care expenses, child passenger restraint systems, employment of vocational rehabilitation referrals, low income housing, school repair and maintenance, fuel for commercial fishers, motion picture and digital media, renewable energy technologies, enterprise zones, ethanol facilities, research activities, capital goods excise taxes, individual development accounts, high technology business investment, energy conservation, hotel construction and remodeling, technology infrastructure, residential construction and remodeling, and income taxes paid to another state or foreign country. For more information, see the Department's report entitled Tax Credits Claimed by Hawaii Taxpayers.

Table 3 shows the adjustments that residents made to their federal AGI to calculate their Hawaii AGI on Form N-11, and also the number of tax returns on which the adjustments were reported. For residents who filed Form N-11, federal AGI was \$34.5 billion for those with Hawaii taxable income and \$1.8 billion for those without Hawaii taxable income. The bulk of the difference between federal AGI and Hawaii AGI was accounted for by social security benefits and pensions that are taxed federally but exempt from Hawaii income tax. Together, these items totaled \$2.7 billion for residents with Hawaii taxable income and \$2.4 billion for residents without Hawaii taxable income. Items subtracted from federal AGI in 2014 totaled \$6.5 billion whereas items added totaled only \$0.8 billion. Data on exempt pension and social security incomes are not available for this study for residents who filed Form N-13, however, residents filing Form N-13 claimed only about 3% of the total age exemptions claimed by residents in 2014.

**Table 3**  
**Differences Between Federal AGI and Hawaii AGI for Residents**  
**Who Filed Form N-11 for Tax Year 2014**  
(Dollar amounts are in millions)

	Taxable Returns		Nontaxable Returns	
	No. Returns	Amount	No. Returns	Amount
Federal AGI	499,658	\$34,476	98,775	\$1,764
<b>MINUS</b> (subtractions from Federal AGI):				
Exempt Pensions Taxed Federally	59,193	\$1,805	49,680	\$2,030
Social Security Benefits	58,552	\$925	32,034	\$401
Other Subtractions from Hawaii AGI <u>1/</u>	68,554	\$284	11,505	\$1,043
Total Subtractions	132,816	\$3,014	55,206	\$3,474
<b>PLUS</b>				
Hawaii Additions to Federal AGI <u>2/</u>	133,685	\$708	11,345	\$91
<b>EQUALS</b>				
Hawaii AGI	499,658	\$32,170	98,775	-\$1,617

Note: Details may not add to totals due to rounding.

1/ Includes interest on federal obligations, interest on an Individual Housing Account, expenses connected with federal credits, individual development accounts, certain income from high technology businesses, and other adjustments.

2/ Includes taxable amounts of Individual Housing Accounts, Hawaii tax refunds, excluded income earned outside of the United States, certain depreciation amounts, and other adjustments.

## Resident Personal Exemptions and Deductions

All individuals filing a Hawaii income tax return, other than those who may be claimed as a dependent, may claim one personal exemption for themselves and an additional exemption for each qualified dependent. Individuals who are 65 or older may claim an additional personal exemption (the age exemption). The personal exemption amount was \$1,144 per exemption in 2014. Individuals who are certified as blind, deaf, or totally disabled could claim a special personal exemption of \$7,000 for themselves. For tax year 2014, resident taxpayers reported a total of 1.3 million exemptions (including the age exemption) on 587,483 Hawaii income tax returns, for an average of 2.3 exemptions per return. The aggregate amount of exemptions claimed by residents was \$1.5 billion. The number and amount of the exemptions claimed in each income class are shown in Appendix Table A-5.

Residents may reduce their adjusted gross income by a standard deduction amount or by their allowable itemized deductions. The standard deduction amount for 2014 is based on the individual's filing status, as shown below:

Status	Standard Deduction
Single.....	\$2,200
Married Filing Jointly.....	\$4,400
Married Filing Separately.....	\$2,200
Head of Household.....	\$3,212
Qualified Widow(er) with Dependent Child.....	\$4,400

The standard deduction for an individual who may be claimed as a dependent is limited to the greater of \$500 or their earned income, up to the full standard deduction for their filing status. In most cases, the dependent individual's filing status is single, and the corresponding maximum standard deduction is \$2,200. Unlike the federal standard deduction amounts, which are adjusted annually for inflation, the Hawaii standard deduction amounts are fixed by statute and are infrequently changed (see Table 4).

**Table 4**  
**Changes in Hawaii's Standard Deduction Over Time**

Status	Year				
	1982	1987	1989	2007	2014
	Standard Deduction (\$)				
Single	800	1,000	1,500	2,000	2,200
Married Filing Joint	1,000	1,700	1,900	4,000	4,400
Married Filing Separate	500	850	950	2,000	2,200
Head of Household	800	1,500	1,650	2,920	3,212

There are six categories of itemized deductions: charitable contributions, interest expenses, medical and dental expenses, casualty and theft losses, taxes paid, and miscellaneous deductions. The amounts of itemized deductions that may be claimed are subject to various limitations, including limits on the total amount of such deductions based on the taxpayer's total income. Appendix Table A-4 shows the types and amounts of deductions claimed by residents in 2014, including the standard deductions and itemized deductions, as well as the amounts of itemized deductions that were disallowed owing to the limits on the deductions. The data are summarized in Table 5.

**Table 5**  
**Itemized and Standard Deductions Claimed by Residents - 2014**  
(Dollar amounts are in millions)

Deduction Type	No. Returns	% of All Returns	Amount	% of Total Deductions
Charitable Contributions	232,056	37.5%	\$908	14.4%
Interest	165,063	26.7%	\$1,918	30.4%
Medical and Dental	77,638	12.6%	\$534	8.5%
Casualty and Theft	354	0.1%	\$9	0.1%
Taxes	319,839	51.7%	\$1,772	28.1%
Miscellaneous	127,693	20.7%	\$622	9.9%
Total Itemized Deductions	325,555	52.6%	\$5,763	91.4%
Total Disallowed Itemized Deductions	24,309	3.9%	\$271	4.3%
Allowable Itemized Deductions	325,555	52.6%	\$5,492	87.1%
Total Standard Deductions	292,802	47.4%	\$812	12.9%
Total Allowable Deductions	618,366	100.0%	\$6,304	95.9%

Note: Details may not add to totals due to rounding.

## Resident Taxable Income and Tax Liability

Of the tax returns filed by residents, 17.3% had no taxable income. Residents with taxable income reported total tax liabilities for 2014 of \$1.79 billion before tax credits and \$1.65 billion after tax credits. Oahu accounted for 71% of the total taxable income of residents, followed by Maui and Hawaii counties, both with 12%, and Kauai with 4%. Appendix Table A-6 shows average Hawaii income tax liabilities and average effective tax rates by income class, both before and after tax credits. Appendix Table A-7 provides data on Hawaii AGI, taxable income, and deductions by tax district.

Figure 2 shows the percentage of total resident tax liability by Hawaii AGI class. Residents with \$100,000 or more in Hawaii AGI paid 60.1% of the total taxes paid by residents before tax credits and 59.7% of the total after tax credits. Residents with \$200,000 or more in Hawaii AGI paid 34.0% of the total taxes paid by residents before tax credits and 33.1% of the total after tax credits.

**Figure 2**  
**Distribution of Total Tax Liabilities of Residents by Hawaii AGI Class**  
**Tax Year 2014**

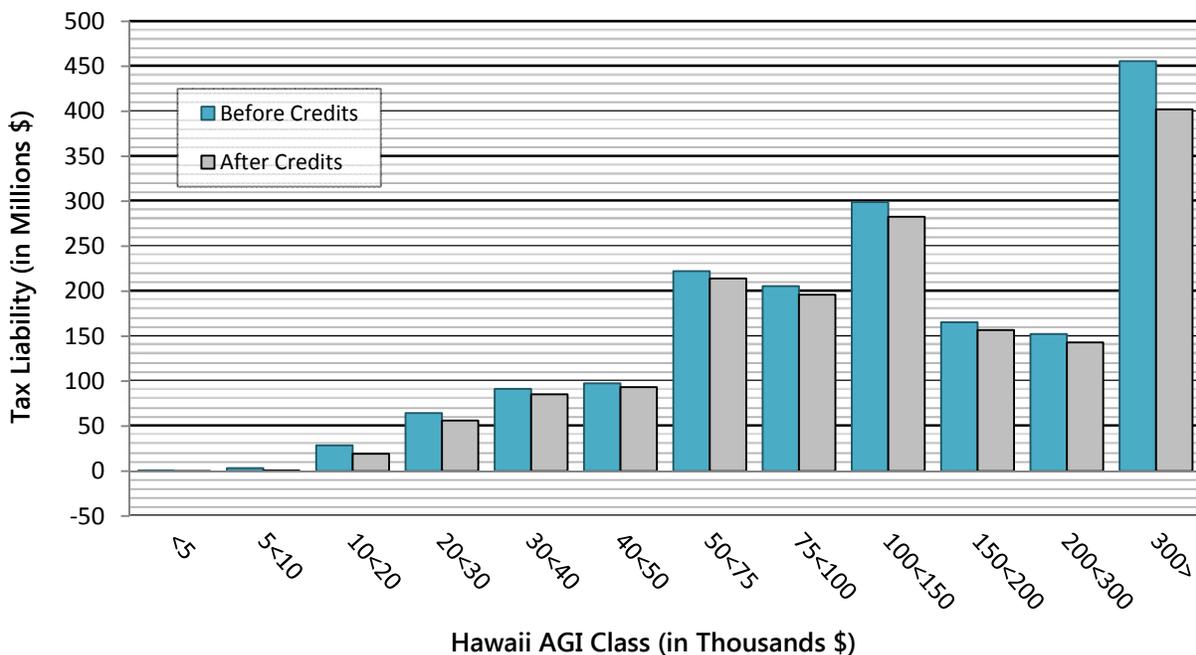
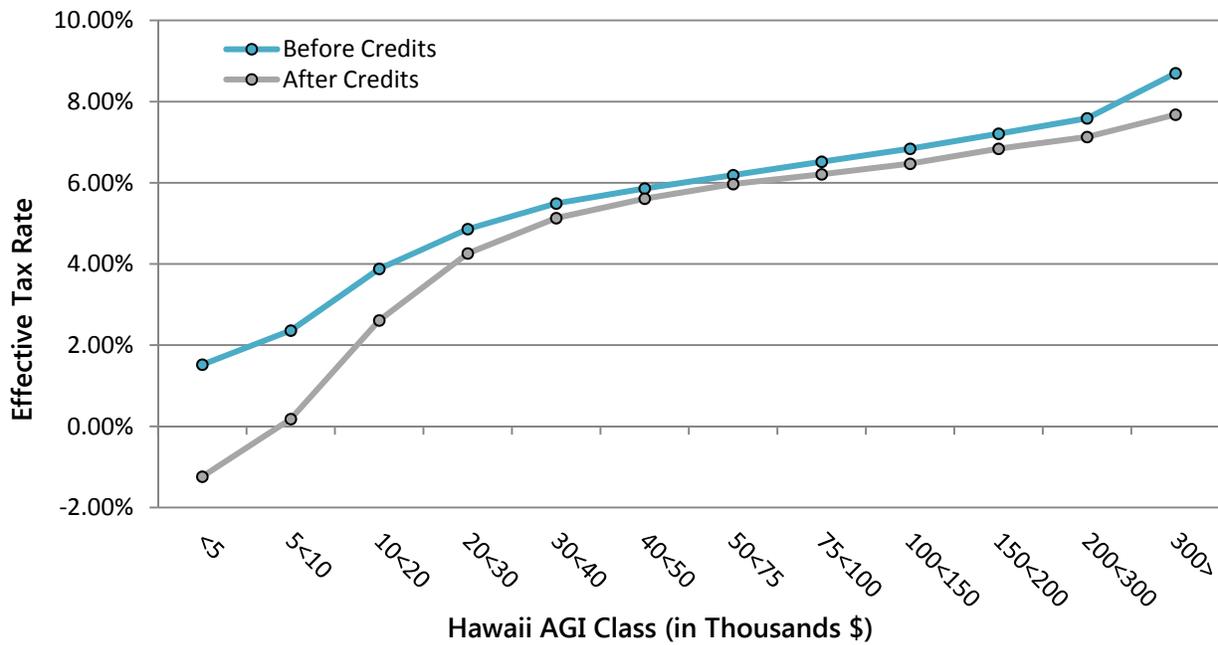


Figure 3 shows the average effective tax rates for residents by income class. 67% of resident returns with Hawaii AGI below \$10,000 had no taxable income. For taxpayers with Hawaii AGI below \$10,000 who had taxable income, the average effective tax rate was 2.4% before tax credits, but 0.2% after tax credits. The change in the average effective tax rate caused by tax credits was greatest for residents with Hawaii AGI less than \$5,000, where tax credits caused the average effective rate on taxable returns to drop by 2.7 percentage points from positive 1.5% to negative 1.2%. The average effective tax rate rises with income, both before and after tax credits, showing that Hawaii's income tax is progressive. The rate of climb of the average effective tax rate is greatest at the low and high ends of the income distribution. See Appendix Table A-6 for the data.

**Figure 3**  
**Average Effective Tax Rates on Taxable Income of Residents by Hawaii AGI Class**  
**Tax Year 2014**



## Highlights of Statistics from Nonresident Tax Returns

Nonresidents, including those who were residents for only part of the tax year, use Form N-15 to file their Hawaii income taxes. For tax year 2014, nonresidents filed 85,182 individual income tax returns. This represents 12% of the total number of resident and nonresident individual income tax returns filed for the year. The worldwide AGI of the nonresidents (what their Hawaii AGI would have been if they had been residents) was \$60.3 billion, which is approximately double the total Hawaii AGI for all residents. Appendix Table A-3 provides selected statistics from nonresident tax returns by Hawaii AGI class. Table 6 shows the total AGI, Hawaii AGI, Hawaii taxable income, and Hawaii tax liability before tax credits for nonresidents, by total AGI class.

**Table 6**  
**Selected Data from Nonresident Tax Returns By Total (Worldwide) AGI Class - 2014**  
(Dollar amounts are in millions)

Total AGI Class	No. Returns	Total AGI*	Hawaii AGI	Taxable Income	Hawaii Tax Pre-Credits
<b>TAXABLE RETURNS</b>					
Loss	Loss	266	-\$349	\$17	\$13
\$0 under	\$5,000	2,134	\$6	\$30	\$27
\$5,000 under	\$10,000	3,570	\$27	\$18	\$11
\$10,000 under	\$20,000	6,769	\$101	\$59	\$42
\$20,000 under	\$30,000	5,693	\$141	\$75	\$59
\$30,000 under	\$40,000	4,232	\$147	\$69	\$55
\$40,000 under	\$5,000	3,475	\$156	\$69	\$56
\$50,000 under	\$50,000	6,456	\$398	\$157	\$131
\$75,000 under	\$75,000	4,600	\$400	\$145	\$121
\$100,000 under	\$100,000	5,481	\$669	\$218	\$187
\$150,000 under	\$150,000	2,833	\$490	\$148	\$128
\$200,000 under	\$200,000	2,757	\$670	\$176	\$163
\$300,000 and over		6,326	\$38,759	\$793	\$764
<b>TOTAL TAXABLE RETURNS</b>		54,592	\$41,615	\$1,976	\$1,757
<b>NON-TAXABLE RETURNS</b>					
Loss	Loss	3,009	-\$4,141	-\$442	
\$0 under	\$5,000	4,638	\$4	-\$16	
\$5,000 under	\$10,000	774	\$6	-\$3	NOT APPLICABLE
\$10,000 and over		22,169	\$22,788	-\$578	
<b>TOTAL NON-TAXABLE RETURNS</b>		30,590	\$18,657	-\$1,039	
<b>TOTAL ALL RETURNS</b>		85,182	\$60,272	\$937	\$1,757

Note: Details may not add to totals due to rounding. A dash ("-") denotes less than \$500,000.

\*The taxpayer's worldwide adjusted gross income as defined for Hawaii income tax purposes.

## **Nonresident Deductions and Personal Exemptions**

Nonresidents must prorate the standard deduction and personal exemption amounts to determine their Hawaii taxable income. The prorated amounts are determined using the ratio of Hawaii AGI to worldwide AGI. Hawaii AGI, less the prorated exemption amount, and less either the Hawaii itemized deductions or the prorated standard deduction, equals Hawaii taxable income. In 2014, 55,365 nonresident tax returns had the standard deduction and 29,817 nonresident tax returns had allowable itemized deductions. The nonresidents claimed prorated itemized deductions of \$893 million, but their allowable itemized deductions were only \$238 million. Their prorated standard deductions totaled \$70 million and their prorated exemptions totaled \$49 million.

## **Nonresident Taxable income and Tax Liability**

As shown in Table 6, income and Hawaii tax liability of the nonresidents is heavily skewed towards the high end of the income distribution. Nonresidents with taxable returns reported \$1.76 billion in taxable income in 2014 on total Hawaii AGI of \$1.98 billion. Their total Hawaii tax liability before tax credits was \$116 million, of which \$60 million was owed by nonresidents with worldwide AGI of \$300,000 or more. Though not shown in Table 6, nonresidents had total Hawaii tax liability after tax credits of \$101 million, including negative amounts of tax owed by nonresidents with nontaxable returns. The average tax liability before tax credits per nonresident return was \$1,364 and the average net tax liability after tax credits was \$1,186.

## Statistics from Tax Returns of Residents Aged 65 or Older

Taxpayers aged 65 years or older may claim an extra personal exemption, the age exemption. The age exemption was claimed on a total of 133,783 resident tax returns for 2014. The tax returns showed total Hawaii AGI of \$4.7 billion and total taxable income of \$4.1 billion. Slightly more than half of tax returns claiming an age exemption reported taxable income. Income taxes paid on the returns totaled \$294 million before tax credits and \$256 million after tax credits. The tax returns showed a total of \$160 million in standard deductions and a total of \$1.4 billion in itemized deductions.

Tax returns filed using Form N-11 that included an age exemption showed \$3.0 billion in pension income that was exempt from Hawaii income tax and an additional \$1.2 billion in exempt Social Security benefits. Data on exempt pension and social security income are not available for residents filing Form N-13, however, the Form N-11 filings accounted for over 96% of the total number of age exemptions claimed by residents in 2014. Overall, the tax returns averaged \$35 thousand in Hawaii AGI per return and \$1,858 per return in tax after tax credits. Selected data from resident tax returns with at least one age exemption are shown in Table 7.

**Table 7**  
**Selected Data on Resident Tax Returns with at Least One Age Exemption – 2014**  
(Dollar amounts are in millions)

	Taxable Returns	Nontaxable Returns	Total
Number of Tax Returns	68,460	65,323	133,783
Hawaii AGI	\$5,198	-\$529	4,669
Standard Deductions	\$67	\$93	160
Itemized Deductions	\$800	\$590	1,390
Taxable Income	\$4,102	na	4,102
Tax Liability Before Credits	\$294	na	294
Tax Liability After Credits	\$256	-\$8	244
Number of Taxpayers Over 65	64,843	64,485	129,328
Number of Taxpayers' Spouses Over 65	25,753	22,795	48,548

Note: "na" denotes "not applicable."

## Statistics from Tax Returns of Disabled Residents

A special personal exemption of \$7,000 is available to blind, deaf, or totally disabled taxpayers in lieu of the \$1,144 regular personal exemption. A disabled spouse on a joint tax return is also entitled to the \$7,000 exemption, but disabled taxpayers may not claim any additional exemptions for dependents or age, so the maximum allowable exemption on a joint tax return with two disabled taxpayers is \$14,000.

In 2014, 5,266 resident tax returns were filed with at least one special exemption for disability. These tax returns showed Hawaii AGI of \$191 million, Hawaii taxable income of \$117 million, and Hawaii income taxes of \$7 million before tax credits and \$6 million after tax credits. Overall, the tax returns averaged \$36 thousand in Hawaii AGI per return and \$1,164 per return in tax after tax credits. Selected data from the tax returns are shown in Table 8.

**Table 8**  
**Selected Data on Resident Tax Returns with at Least One Disabled Exemption – 2014**  
(Dollar amounts are in millions)

	Taxable Returns	Nontaxable Returns	Total
Number of Tax Returns	2,978	2,288	5,266
Hawaii AGI	\$178	\$13	\$191
Standard Deductions	\$4	\$3	\$7
Itemized Deductions	\$33	\$34	\$67
Taxable income	\$117	na	\$117
Tax Liability Before Credits	\$7	na	\$7
Tax Liability After Credits	\$6	\$0	\$6
Number of Disabled Taxpayers	1,962	1,838	3,800
Number of Disabled Spouses	1,092	529	1,621

Note: "na" denotes "not applicable." A dash ("-") denotes less than \$500,000.

## Statistics from Tax Returns of Dependent Residents

Taxpayers who may be claimed as dependents by other taxpayers may not claim a personal exemption for themselves. Dependents may itemize deductions or claim the standard deduction, which is the greater of \$500 or their earned income (up to the full standard deduction for their filing status).

A total of 28,863 dependents filed tax returns for 2014, including nonresidents. Their Hawaii AGI totaled \$200 million and their taxable income totaled \$145 million. Their tax returns had tax liability before tax credits of \$6.1 million and tax liability after tax credits of \$5.9 million. Overall, the tax returns averaged \$6,900 in Hawaii AGI per return and \$205 per return in tax after tax credits.

## Statistics on Net Long-Term Capital Gains

Hawaii taxes long-term capital gains at 7.25% or the taxpayer's marginal tax rate on ordinary income, whichever is less. The alternative rate for long-term capital gains is a significant feature of Hawaii's income tax law because long-term capital gains income constitutes 8% of total taxable income.

Table 9 shows the distribution of long term capital gains by income class for Hawaii residents and nonresidents with taxable returns. As shown in the table, the capital gains are heavily concentrated on the high end of the income distribution.

**Table 9**  
**Income Eligible for the Tax Rate on Long-Term Capital Gains**  
(Dollar amounts are in millions)

Hawaii AGI Class	Long Term Capital Gains		Percent of Total Taxable Income	
	Residents	Nonresidents	Residents	Nonresidents
Less than \$5,000	-	-	-	-
\$5,000 under \$10,000	-	-	-	-
\$10,000 under \$20,000	-	-	-	-
\$20,000 under \$30,000	-	-	-	-
\$30,000 under \$40,000	\$5	\$1	0.3%	0.7%
\$40,000 under \$50,000	\$9	\$1	0.5%	1.4%
\$50,000 under \$75,000	\$35	\$7	1.0%	4.0%
\$75,000 under \$100,000	\$48	\$9	1.5%	6.8%
\$100,000 under \$150,000	\$111	\$24	2.5%	14.0%
\$150,000 under \$200,000	\$105	\$26	4.6%	23.3%
\$200,000 under \$300,000	\$160	\$35	8.0%	27.8%
\$300,000 and over	\$1,521	\$250	29.0%	44.9%
<b>Total</b>	<b>\$1,994</b>	<b>\$353</b>	<b>7.6%</b>	<b>20.1%</b>

Note: Details may not add to totals due to rounding.

A dash (-) denotes less than \$500,000 or less than 0.05%.

**APPENDIX  
STATISTICAL  
TABLES**

**TABLE A-1**  
**SELECTED DATA FROM RESIDENT TAX RETURNS BY HAWAII AGI CLASS –2014**  
(\$ in thousands)

Hawaii AGI CLASS	Number of Returns		Hawaii AGI		Taxable Income		Tax Liability	
	Number	%	Amount	%	Amount	%	Amount	%
<b>TAXABLE RESIDENT RETURNS</b>								
\$0 under \$5,000	15,731	3.1%	\$56,433	0.2%	\$17,344	0.1%	\$264	0.0%
\$5,000 under \$10,000	36,852	7.2%	\$278,687	0.9%	\$139,004	0.5%	\$3,284	0.2%
\$10,000 under \$20,000	76,440	15.0%	\$1,145,243	3.5%	\$735,108	2.8%	\$28,503	1.6%
\$20,000 under \$30,000	72,262	14.1%	\$1,801,003	5.5%	\$1,319,515	5.0%	\$64,567	3.6%
\$30,000 under \$40,000	62,387	12.2%	\$2,172,562	6.7%	\$1,664,298	6.4%	\$91,312	5.1%
\$40,000 under \$50,000	47,743	9.3%	\$2,135,179	6.6%	\$1,664,398	6.4%	\$97,603	5.5%
\$50,000 under \$75,000	75,013	14.7%	\$4,599,871	14.2%	\$3,589,005	13.7%	\$222,191	12.4%
\$75,000 under \$100,000	46,556	9.1%	\$4,030,896	12.4%	\$3,156,998	12.1%	\$205,703	11.5%
\$100,000 under \$150,000	45,380	8.9%	\$5,480,090	16.9%	\$4,369,135	16.7%	\$299,006	16.7%
\$150,000 under \$200,000	16,411	3.2%	\$2,802,320	8.6%	\$2,293,378	8.8%	\$165,394	9.3%
\$200,000 under \$300,000	9,395	1.8%	\$2,235,911	6.9%	\$2,007,885	7.7%	\$152,323	8.5%
\$300,000 and over	7,029	1.4%	\$5,731,853	17.7%	\$5,238,721	20.0%	\$455,724	25.5%
<b>TOTAL - TAXABLE RETURNS</b>	<b>511,199</b>	<b>100.0%</b>	<b>\$32,470,049</b>	<b>100.0%</b>	<b>\$26,194,790</b>	<b>100.0%</b>	<b>\$1,785,873</b>	<b>100.0%</b>
<b>NON-TAXABLE RESIDENT RETURNS</b>								
Loss	13,665	12.8%	-\$2,014,390					
\$0 under \$5,000	71,034	66.3%	\$81,105					
\$5,000 under \$10,000	11,230	10.5%	\$79,586			NOT APPLICABLE		
\$10,000 and over	11,238	10.5%	\$237,974					
<b>TOTAL - NONTAXABLE RETURNS</b>	<b>107,167</b>	<b>100.0%</b>	<b>-\$1,615,724</b>					
<b>TOTAL ALL RESIDENT RETURNS</b>	<b>618,366</b>		<b>\$30,854,325</b>		<b>\$26,194,790</b>		<b>\$1,785,873</b>	

Note: Details may not add to totals due to rounding.

**TABLE A-2**  
**SELECTED DATA ON ALL TAX RETURNS BY FILING STATUS AND HAWAII AGI CLASS – 2014**  
(\$ in thousands)

Hawaii AGI Class	Number of Returns			Hawaii AGI		
	Single*	Joint	H/H**	Single*	Joint	H/H*
<b>TAXABLE RESIDENT RETURNS</b>						
\$0 under \$5,000	15,715	d	d	\$56,364	\$32	\$38
\$5,000 under \$10,000	32,219	d	3,178	\$239,616	\$12,946	\$26,125
\$10,000 under \$20,000	52,462	11,648	12,330	\$778,507	\$179,369	\$187,367
\$20,000 under \$30,000	44,022	14,736	13,504	\$1,092,032	\$370,444	\$338,527
\$30,000 under \$40,000	35,150	15,634	11,603	\$1,222,952	\$546,938	\$402,673
\$40,000 under \$50,000	25,821	14,458	7,464	\$1,153,175	\$649,440	\$332,564
\$50,000 under \$75,000	31,893	34,478	8,642	\$1,926,483	\$2,151,193	\$522,196
\$75,000 under \$100,000	12,985	29,953	3,618	\$1,114,565	\$2,606,147	\$310,184
\$100,000 under \$150,000	7,216	36,108	2,056	\$850,963	\$4,386,645	\$242,483
\$150,000 under \$200,000	1,806	14,219	386	\$307,615	\$2,429,287	\$65,418
\$200,000 under \$300,000	1,248	7,913	234	\$298,471	\$1,881,613	\$55,827
\$300,000 and over	1,121	5,699	d	\$900,403	\$4,698,164	\$133,286
<b>TOTAL TAXABLE RETURNS</b>	<b>261,658</b>	<b>186,309</b>	<b>63,232</b>	<b>\$9,941,145</b>	<b>\$19,912,217</b>	<b>\$2,616,688</b>
<b>NON-TAXABLE RESIDENT RETURNS</b>						
Loss	7,993	5,213	459	-\$662,598	-\$1,327,130	-\$24,662
\$0 under \$5,000	51,953	15,748	3,333	\$52,974	\$21,606	\$6,526
\$5,000 under \$10,000	3,882	6,202	1,146	\$27,548	\$44,631	\$7,407
\$10,000 and over	3,618	7,038	582	\$74,237	\$151,860	\$11,877
<b>TOTAL NONTAXABLE RETURNS</b>	<b>67,446</b>	<b>34,201</b>	<b>5,520</b>	<b>-\$507,839</b>	<b>-\$1,109,033</b>	<b>\$1,147</b>
<b>TOTAL ALL RESIDENT RETURNS</b>	<b>329,104</b>	<b>220,510</b>	<b>68,752</b>	<b>\$9,433,306</b>	<b>\$18,803,184</b>	<b>\$2,617,835</b>
<b>TOTAL ALL NONRESIDENT RETURNS</b>	<b>38,818</b>	<b>43,098</b>	<b>3,266</b>	<b>\$434,273</b>	<b>\$451,659</b>	<b>\$51,239</b>
<b>TOTAL ALL RETURNS</b>	<b>367,922</b>	<b>263,608</b>	<b>72,018</b>	<b>\$9,867,579</b>	<b>\$19,254,843</b>	<b>\$2,669,074</b>

Note: Details may not add to totals due to rounding.

\*Includes returns for married individuals filing separately.

\*\*Includes returns for heads of households and for qualifying spouses.

"d" in the tables denotes the data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information.

TABLE A-2 (CONTINUED)  
 SELECTED DATA ON ALL TAX RETURNS BY FILING STATUS AND HAWAII AGI CLASS - 2014  
 (\$ in thousands)

Hawaii AGI Class	Taxable Income			Tax Liability		
	Single*	Joint	H/H**	Single*	Joint	H/H*
<b>TAXABLE RESIDENT RETURNS</b>						
\$0 under \$5,000	\$17,332	\$9	\$3	\$263	\$0	\$0
\$5,000 under \$10,000	\$130,176	\$1,755	\$7,073	\$3,155	\$25	\$104
\$10,000 under \$20,000	\$559,936	\$70,103	\$105,070	\$23,871	\$1,466	\$3,166
\$20,000 under \$30,000	\$872,051	\$207,698	\$239,767	\$46,768	\$7,217	\$10,581
\$30,000 under \$40,000	\$1,008,431	\$349,832	\$306,035	\$60,335	\$15,261	\$15,715
\$40,000 under \$50,000	\$959,791	\$446,201	\$258,407	\$61,071	\$22,030	\$14,502
\$50,000 under \$75,000	\$1,592,712	\$1,585,725	\$410,568	\$107,799	\$89,224	\$25,168
\$75,000 under \$100,000	\$918,215	\$1,994,879	\$243,905	\$65,862	\$123,689	\$16,152
\$100,000 under \$150,000	\$749,952	\$3,427,787	\$191,396	\$56,076	\$229,474	\$13,455
\$150,000 under \$200,000	\$280,245	\$1,955,385	\$57,748	\$21,569	\$139,536	\$4,288
\$200,000 under \$300,000	\$277,005	\$1,680,288	\$50,591	\$22,633	\$125,819	\$3,871
\$300,000 and over	\$843,364	\$4,269,164	\$126,193	\$79,084	\$365,351	\$11,289
<b>TOTAL TAXABLE RETURNS</b>	<b>\$8,209,209</b>	<b>\$15,988,827</b>	<b>\$1,996,754</b>	<b>\$548,487</b>	<b>\$1,119,094</b>	<b>\$118,292</b>
<b>NON-TAXABLE RESIDENT RETURNS</b>						
Loss						
\$0 under \$5,000						
\$5,000 under \$10,000						
\$10,000 and over						
<b>TOTAL NON-TAXABLE RETURNS</b>						
<b>TOTAL ALL RESIDENT RETURNS</b>	<b>\$8,209,209</b>	<b>\$15,988,827</b>	<b>\$1,996,754</b>	<b>\$548,487</b>	<b>\$1,119,094</b>	<b>\$118,292</b>
<b>TOTAL ALL NONRESIDENT RETURNS</b>	<b>\$624,119</b>	<b>\$1,072,553</b>	<b>\$60,765</b>	<b>\$41,215</b>	<b>\$70,969</b>	<b>\$4,014</b>
<b>TOTAL ALL RETURNS</b>	<b>\$8,833,328</b>	<b>\$17,061,380</b>	<b>\$2,057,519</b>	<b>\$589,702</b>	<b>\$1,190,063</b>	<b>\$122,306</b>

Note: Details may not add to totals due to rounding.

\*Includes returns for married individuals filing separately.

\*\*Includes returns for heads of households and for qualifying spouses.

**TABLE A-3**  
**SELECTED DATA FROM NON-RESIDENT TAX RETURNS BY HAWAII AGI CLASS -2014**  
(\$ in thousands)

Hawaii AGI Class	Number of Returns	Hawaii AGI	Worldwide AGI*	Number of Exemptions		Hawaii Taxable Income	Hawaii Tax Liability
				Regular	Age		
<b>TAXABLE RETURNS</b>							
\$0 under \$5,000	14,909	\$33,369	\$8,384,716	25,129	2,626	\$25,227	\$391
\$5,000 under \$10,000	9,395	\$68,709	\$3,585,871	15,747	1,598	\$52,326	\$1,286
\$10,000 under \$20,000	10,455	\$150,642	\$2,474,953	19,278	1,728	\$120,778	\$4,571
\$20,000 under \$30,000	5,709	\$140,725	\$2,455,895	11,251	816	\$116,122	\$5,563
\$30,000 under \$40,000	3,513	\$121,746	\$1,909,951	7,564	589	\$101,725	\$5,412
\$40,000 under \$50,000	2,211	\$98,990	\$1,980,226	4,942	393	\$83,319	\$4,743
\$50,000 under \$75,000	3,156	\$192,184	\$3,203,038	7,284	545	\$164,057	\$10,082
\$75,000 under \$100,000	1,734	\$148,929	\$2,257,803	4,113	394	\$128,826	\$8,484
\$100,000 under \$150,000	1,575	\$190,249	\$2,444,539	3,778	444	\$168,867	\$11,693
\$150,000 under \$200,000	702	\$120,675	\$2,010,256	1,633	252	\$111,537	\$8,087
\$200,000 under \$300,000	549	\$133,320	\$2,612,252	1,225	285	\$127,380	\$9,547
\$300,000 and over	684	\$576,531	\$8,295,343	1,488	359	\$557,271	\$46,337
<b>TOTAL - TAXABLE RETURNS</b>	<b>54,592</b>	<b>\$1,976,068</b>	<b>\$41,614,845</b>	<b>103,432</b>	<b>10,029</b>	<b>\$1,757,436</b>	<b>\$116,197</b>
<b>NON-TAXABLE RETURNS</b>							
Loss	13,871	-\$1,059,870	\$9,359,805	28,913	7,255		
\$0 under \$5,000	15,606	\$4,979	\$7,861,531	30,898	4,703	NOT APPLICABLE	
\$5,000 under \$10,000	561	\$3,905	\$422,499	1,360	204		
\$10,000 and over	552	\$12,090	\$1,012,881	1,385	219		
<b>TOTAL - NONTAXABLE RETURNS</b>	<b>30,590</b>	<b>-\$1,038,897</b>	<b>\$18,656,717</b>	<b>62,556</b>	<b>12,381</b>		
<b>TOTAL ALL RETURNS</b>	<b>85,182</b>	<b>\$937,171</b>	<b>\$60,271,561</b>	<b>165,988</b>	<b>22,410</b>	<b>\$1,757,436</b>	<b>\$116,197</b>

Note: Details may not add to totals due to rounding.

\*The taxpayer's worldwide adjusted gross income as defined for Hawaii income tax purposes.

TABLE A-4  
 TYPES OF DEDUCTIONS BY HAWAII AGI CLASS - 2014  
 (\$ in thousands)

Hawaii AGI Class	Contributions		Interest		Medical and Dental		Casualty Loss	
	No. Returns	Amount	No. Returns	Amount	No. Returns	Amount	No. Returns	Amount
<b>TAXABLE RESIDENT RETURNS</b>								
\$0 under \$5,000	77	\$54	21	\$29	84	\$122	-	\$0
\$5,000 under \$10,000	1,727	\$1,911	437	\$1,095	1,658	\$3,416	d	d
\$10,000 under \$20,000	9,544	\$13,656	3,587	\$15,612	7,183	\$21,494	17	\$65
\$20,000 under \$30,000	15,602	\$26,335	6,795	\$43,698	7,740	\$29,182	30	\$97
\$30,000 under \$40,000	21,114	\$35,585	9,683	\$74,168	6,814	\$28,660	24	\$163
\$40,000 under \$50,000	21,447	\$36,704	10,902	\$92,924	4,870	\$22,603	31	\$179
\$50,000 under \$75,000	42,629	\$86,029	27,720	\$260,703	6,909	\$37,794	53	\$307
\$75,000 under \$100,000	32,832	\$75,022	25,365	\$281,217	3,097	\$21,594	39	\$358
\$100,000 under \$150,000	35,555	\$100,954	32,059	\$419,309	1,842	\$20,588	28	\$601
\$150,000 under \$200,000	13,737	\$50,978	12,932	\$200,418	418	\$11,145	d	d
\$200,000 under \$300,000	7,220	\$41,884	7,175	\$129,234	227	\$6,693	d	d
\$300,000 and over	5,095	\$389,704	4,906	\$159,865	183	\$7,274	d	d
<b>TOTAL TAXABLE RETURNS</b>	<b>206,579</b>	<b>\$858,818</b>	<b>141,582</b>	<b>\$1,678,273</b>	<b>41,025</b>	<b>\$210,563</b>	<b>245</b>	<b>\$2,206</b>
<b>NON-TAXABLE RESIDENT RETURNS</b>								
Loss	444	\$1,500	4,382	\$49,595	6,227	\$45,574	29	\$4,113
\$0 under \$5,000	10,765	\$8,919	8,139	\$60,473	15,713	\$103,472	27	\$216
\$5,000 under \$10,000	5,568	\$9,072	3,760	\$28,984	6,260	\$45,108	14	\$389
\$10,000 and over	8,700	\$29,552	7,200	\$100,552	8,413	\$129,432	39	\$1,623
<b>TOTAL NONTAXABLE RETURNS</b>	<b>25,477</b>	<b>\$49,043</b>	<b>23,481</b>	<b>\$239,604</b>	<b>36,613</b>	<b>\$323,587</b>	<b>109</b>	<b>\$6,341</b>
<b>TOTAL ALL RESIDENT RETURNS</b>	<b>232,056</b>	<b>\$907,860</b>	<b>165,063</b>	<b>\$1,917,877</b>	<b>77,638</b>	<b>\$534,149</b>	<b>354</b>	<b>\$8,546</b>
<b>TOTAL ALL NONRESIDENT RETURNS</b>	<b>15,232</b>	<b>\$49,647</b>	<b>7,137</b>	<b>\$648,158</b>	<b>3,407</b>	<b>\$13,917</b>	<b>28</b>	<b>\$731</b>
<b>TOTAL ALL RETURNS</b>	<b>247,288</b>	<b>\$957,508</b>	<b>172,200</b>	<b>\$2,566,035</b>	<b>81,045</b>	<b>\$548,066</b>	<b>382</b>	<b>\$9,277</b>

Note: Details may not add to totals due to rounding. "d" in the tables denotes the data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information.

TABLE A-4 (CONTINUED)  
 TYPES OF DEDUCTIONS BY HAWAII AGI CLASS - 2014  
 (\$ in thousands)

Hawaii AGI Class	Taxes		Miscellaneous Deductions		Total Allowable Itemized Deductions	
	No. Returns	Amount	No. Returns	Amount	No. Returns	Amount
<b>TAXABLE RESIDENT RETURNS</b>						
\$0 under \$5,000	265	\$72	97	\$94	170	\$371
\$5,000 under \$10,000	2,568	\$2,324	1,195	\$1,465	2,567	\$10,219
\$10,000 under \$20,000	13,019	\$18,063	6,368	\$14,321	12,920	\$83,212
\$20,000 under \$30,000	20,564	\$41,008	10,364	\$33,815	20,302	\$173,216
\$30,000 under \$40,000	32,017	\$82,323	13,493	\$49,391	31,795	\$268,939
\$40,000 under \$50,000	35,379	\$112,984	12,421	\$48,186	35,368	\$312,723
\$50,000 under \$75,000	62,432	\$275,870	22,776	\$101,836	62,495	\$759,533
\$75,000 under \$100,000	43,789	\$268,665	15,532	\$78,838	43,944	\$721,167
\$100,000 under \$150,000	42,317	\$340,438	14,261	\$83,176	43,048	\$950,905
\$150,000 under \$200,000	15,465	\$171,116	4,576	\$33,306	15,666	\$451,448
\$200,000 under \$300,000	7,754	\$36,335	2,119	\$22,462	8,002	\$206,326
\$300,000 and over	5,386	\$41,467	1,423	\$84,252	5,511	\$487,149
<b>TOTAL TAXABLE RETURNS</b>	<b>280,955</b>	<b>\$1,390,667</b>	<b>104,625</b>	<b>\$551,142</b>	<b>281,788</b>	<b>\$4,425,208</b>
<b>NON-TAXABLE RESIDENT RETURNS</b>						
Loss	6,649	\$25,281	4,607	\$11,557	7,539	\$137,209
\$0 under \$5,000	14,931	\$26,181	9,187	\$17,631	17,665	\$215,223
\$5,000 under \$10,000	6,786	\$14,034	3,913	\$7,984	7,448	\$104,899
\$10,000 and over	10,518	\$315,516	5,361	\$34,166	11,115	\$609,257
<b>TOTAL NONTAXABLE RETURNS</b>	<b>38,884</b>	<b>\$381,011</b>	<b>23,068</b>	<b>\$71,338</b>	<b>43,767</b>	<b>\$1,066,589</b>
<b>TOTAL ALL RESIDENT RETURNS</b>	<b>319,839</b>	<b>\$1,771,678</b>	<b>127,693</b>	<b>\$622,480</b>	<b>325,555</b>	<b>\$5,491,797</b>
<b>TOTAL ALL NONRESIDENT RETURNS</b>	<b>25,154</b>	<b>\$142,546</b>	<b>5,391</b>	<b>\$37,663</b>	<b>29,817</b>	<b>\$238,474</b>
<b>TOTAL ALL RETURNS</b>	<b>344,993</b>	<b>\$1,914,224</b>	<b>133,084</b>	<b>\$660,143</b>	<b>355,372</b>	<b>\$5,730,270</b>

Note: Details may not add to totals due to rounding.

TABLE A-4 (CONTINUED)  
 TYPES OF DEDUCTIONS BY HAWAII AGI CLASS - 2014  
 (\$ in thousands)

Hawaii AGI Class	Standard Deductions		Total Allowable and Standard Deductions		Disallowed Itemized Deductions	
	No. Returns	Amount	No. Returns	Amount	No. Returns	Amount
<b>TAXABLE RESIDENT RETURNS</b>						
\$0 under \$5,000	15,561	\$31,398	15,731	\$31,770	-	\$0
\$5,000 under \$10,000	34,285	\$81,040	36,852	\$91,259	-	\$0
\$10,000 under \$20,000	63,520	\$170,173	76,440	\$253,385	-	\$0
\$20,000 under \$30,000	51,960	\$145,258	72,262	\$318,474	d	d
\$30,000 under \$40,000	30,588	\$92,781	62,383	\$361,720	20	\$1,351
\$40,000 under \$50,000	12,375	\$44,167	47,743	\$356,891	d	d
\$50,000 under \$75,000	12,518	\$49,008	75,013	\$808,541	89	\$3,006
\$75,000 under \$100,000	2,611	\$9,733	46,555	\$730,900	632	\$4,528
\$100,000 under \$150,000	2,332	\$6,457	45,380	\$957,361	1,080	\$14,163
\$150,000 under \$200,000	745	\$2,205	16,411	\$453,652	8,676	\$15,573
\$200,000 under \$300,000	1,393	\$5,388	9,395	\$211,714	8,038	\$30,650
\$300,000 and over	1,518	\$5,970	7,029	\$493,120	5,584	\$195,416
<b>TOTAL TAXABLE RETURNS</b>	<b>229,406</b>	<b>\$643,579</b>	<b>511,194</b>	<b>\$5,068,787</b>	<b>24,148</b>	<b>\$266,460</b>
<b>NON-TAXABLE RESIDENT RETURNS</b>						
Loss	6,126	\$16,863	13,665	\$154,071	22	\$411
\$0 under \$5,000	53,365	\$135,563	71,030	\$350,786	41	\$1,668
\$5,000 under \$10,000	3,782	\$15,203	11,230	\$120,102	20	\$672
\$10,000 and over	123	\$533	11,238	\$609,790	78	\$1,584
<b>TOTAL NONTAXABLE RETURNS</b>	<b>63,396</b>	<b>\$168,161</b>	<b>107,163</b>	<b>\$1,234,750</b>	<b>161</b>	<b>\$4,335</b>
<b>TOTAL ALL RESIDENT RETURNS</b>	<b>292,802</b>	<b>\$811,740</b>	<b>618,357</b>	<b>\$6,303,537</b>	<b>24,309</b>	<b>\$270,794</b>
<b>TOTAL ALL NONRESIDENT RETURNS</b>	<b>55,365</b>	<b>\$69,716</b>	<b>85,182</b>	<b>\$308,190</b>	<b>1,238</b>	<b>\$654,188</b>
<b>TOTAL ALL RETURNS</b>	<b>348,167</b>	<b>\$881,457</b>	<b>703,539</b>	<b>\$6,611,727</b>	<b>25,547</b>	<b>\$924,982</b>

Note: Details may not add to totals due to rounding. "d" in the tables denotes the data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information.

TABLE A-5  
NUMBER OF DEPENDENTS, NUMBER OF EXEMPTIONS, TAX WITHHELD, PAYMENTS OF DECLARATION,  
AMOUNTS DUE, AND REFUNDS AND CARRIED FORWARD CREDITS, BY HAWAII AGI CLASS - 2014  
(\$ in thousands)

Hawaii AGI Class	Dependents		Exemptions			Tax Withheld	
	No. Returns	No. Dependents	No. Returns	No. Exemptions	Amount	No. Returns	Amount
<b>TAXABLE RESIDENT RETURNS</b>							
\$0 under \$5,000	123	123	5,832	6,399	\$7,319	12,521	\$1,606
\$5,000 under \$10,000	5,455	7,424	28,675	42,259	\$48,424	28,572	\$8,236
\$10,000 under \$20,000	20,841	36,694	71,370	135,487	\$156,749	62,422	\$40,662
\$20,000 under \$30,000	22,448	40,456	71,359	140,220	\$163,014	64,279	\$79,307
\$30,000 under \$40,000	20,250	36,633	62,190	125,760	\$146,545	57,304	\$106,449
\$40,000 under \$50,000	15,310	27,400	47,655	97,855	\$113,890	44,349	\$110,245
\$50,000 under \$75,000	28,068	51,510	74,941	174,359	\$202,326	69,814	\$240,553
\$75,000 under \$100,000	21,414	39,980	46,538	123,823	\$142,998	43,911	\$215,825
\$100,000 under \$150,000	24,264	45,303	45,371	133,835	\$153,594	42,841	\$294,334
\$150,000 under \$200,000	9,100	16,688	16,403	50,457	\$55,289	15,146	\$146,098
\$200,000 under \$300,000	4,739	8,613	9,389	28,551	\$16,312	8,170	\$104,414
\$300,000 and over	3,194	5,960	7,018	21,434	\$12	5,531	\$143,763
<b>TOTAL TAXABLE RETURNS</b>	<b>175,206</b>	<b>316,784</b>	<b>486,741</b>	<b>1,080,439</b>	<b>\$1,206,472</b>	<b>454,860</b>	<b>\$1,491,491</b>
<b>NON-TAXABLE RESIDENT RETURNS</b>							
Loss	1,424	2,204	13,279	31,273	\$37,082	2,466	\$2,824
\$0 under \$5,000	6,359	9,951	65,027	143,684	\$169,669	16,888	\$1,761
\$5,000 under \$10,000	2,562	5,192	11,217	34,199	\$41,163	3,880	\$1,489
\$10,000 and over	2,101	4,041	11,219	34,510	\$42,688	4,566	\$4,836
<b>TOTAL NONTAXABLE RETURNS</b>	<b>12,446</b>	<b>21,388</b>	<b>100,742</b>	<b>243,666</b>	<b>\$290,603</b>	<b>27,800</b>	<b>\$10,909</b>
<b>TOTAL ALL RESIDENT RETURNS</b>	<b>187,652</b>	<b>338,172</b>	<b>587,483</b>	<b>1,324,105</b>	<b>\$1,497,074</b>	<b>482,660</b>	<b>\$1,502,400</b>
<b>TOTAL ALL NONRESIDENT RETURNS</b>	<b>23,071</b>	<b>42,646</b>	<b>80,965</b>	<b>188,398</b>	<b>\$49,413</b>	<b>40,381</b>	<b>\$63,325</b>
<b>TOTAL ALL RETURNS</b>	<b>210,723</b>	<b>380,818</b>	<b>668,448</b>	<b>1,512,503</b>	<b>\$1,546,488</b>	<b>523,041</b>	<b>\$1,565,726</b>

Note: Details may not add to totals due to rounding.

TABLE A-5 (CONTINUED)  
NUMBER OF DEPENDENTS AND EXEMPTIONS, TAX WITHHELD, PAYMENTS OF DECLARATION,  
AMOUNTS DUE, AND REFUNDS AND CARRIED FORWARD CREDITS BY HAWAII AGI CLASS - 2014  
(\$ in thousands)

Hawaii AGI Class	Payments of Declaration*		Amounts Due**		Refunds and Amounts Credited***	
	No. Returns	Amount	No. Returns	Amount	No. Returns	Amount
<b>TAXABLE RESIDENT RETURNS</b>						
\$0 under \$5,000	214	\$44	1,844	\$49	13,702	\$1,912
\$5,000 under \$10,000	659	\$295	3,746	\$250	32,929	\$8,530
\$10,000 under \$20,000	2,515	\$1,749	11,559	\$2,498	64,510	\$25,730
\$20,000 under \$30,000	3,211	\$3,273	10,519	\$4,201	61,400	\$30,636
\$30,000 under \$40,000	3,239	\$4,449	9,858	\$5,290	52,242	\$30,866
\$40,000 under \$50,000	2,772	\$4,743	8,325	\$5,591	39,195	\$27,200
\$50,000 under \$75,000	5,568	\$12,778	16,143	\$13,976	58,478	\$53,190
\$75,000 under \$100,000	4,166	\$12,940	10,841	\$12,425	35,554	\$45,076
\$100,000 under \$150,000	5,613	\$23,529	11,799	\$19,018	33,415	\$54,128
\$150,000 under \$200,000	3,449	\$21,728	5,002	\$13,409	11,334	\$24,452
\$200,000 under \$300,000	3,563	\$34,952	4,655	\$18,842	4,666	\$15,142
\$300,000 and over	4,512	\$296,995	3,370	\$45,111	3,556	\$83,777
<b>TOTAL TAXABLE RETURNS</b>	<b>39,481</b>	<b>\$417,475</b>	<b>97,661</b>	<b>\$140,659</b>	<b>410,981</b>	<b>\$400,640</b>
<b>NON-TAXABLE RESIDENT RETURNS</b>						
Loss	646	\$2,162	d	d	10,847	\$10,112
\$0 under \$5,000	814	\$691	36	\$0	61,253	\$9,897
\$5,000 under \$10,000	480	\$499	d	d	8,790	\$3,926
\$10,000 and over	1,072	\$2,435	d	d	8,077	\$8,996
<b>TOTAL NONTAXABLE RETURNS</b>	<b>3,012</b>	<b>\$5,788</b>	<b>40</b>	<b>\$1</b>	<b>88,967</b>	<b>\$32,931</b>
<b>TOTAL ALL RESIDENT RETURNS</b>	<b>42,493</b>	<b>\$423,263</b>	<b>97,701</b>	<b>\$140,659</b>	<b>499,948</b>	<b>\$433,572</b>
<b>TOTAL ALL NONRESIDENT RETURNS</b>	<b>9,688</b>	<b>\$107,203</b>	<b>14,335</b>	<b>\$18,629</b>	<b>46,174</b>	<b>\$88,378</b>
<b>TOTAL ALL RETURNS</b>	<b>52,181</b>	<b>\$530,466</b>	<b>112,036</b>	<b>\$159,288</b>	<b>546,122</b>	<b>\$521,950</b>

Note: Details may not add to totals due to rounding. \* Includes estimated tax payments, extension payments and carryovers of credits from the prior year.

\*\* Equal to tax liability after tax credits less tax withheld and less payments of declaration.

\*\*\* Equal to the sum of refunds plus amounts credited to the 2015 estimated taxes and plus check-box donations to school repair, public library, and domestic violence funds.

"d" in the tables denotes the data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information.

**TABLE A-6**  
**AVERAGE TAX LIABILITIES AND EFFECTIVE TAX RATES FOR RESIDENT RETURNS,**  
**BEFORE AND AFTER TAX CREDITS, BY HAWAII AGI CLASS - 2014**  
(\$ in thousands)

Hawaii AGI Class	Income Tax Liability				Effective Tax Rates (%)					
	Before Credits		After Credits		Based on Taxable Income		Based on Hawaii AGI			
	Total	Average	Total	Average	Before Credits	After Credits	Before Credits	After Credits		
<b>TAXABLE RESIDENT RETURNS</b>										
\$0 under \$5,000	\$264	\$0.0	-\$214	\$0.0	1.5%	-1.2%	0.5%	-0.4%		
\$5,000 under \$10,000	\$3,284	\$0.1	\$250	\$0.0	2.4%	0.2%	1.2%	0.1%		
\$10,000 under \$20,000	\$28,503	\$0.4	\$19,180	\$0.3	3.9%	2.6%	2.5%	1.7%		
\$20,000 under \$30,000	\$64,567	\$0.9	\$56,146	\$0.8	4.9%	4.3%	3.6%	3.1%		
\$30,000 under \$40,000	\$91,312	\$1.5	\$85,323	\$1.4	5.5%	5.1%	4.2%	3.9%		
\$40,000 under \$50,000	\$97,603	\$2.0	\$93,381	\$2.0	5.9%	5.6%	4.6%	4.4%		
\$50,000 under \$75,000	\$222,191	\$3.0	\$214,116	\$2.9	6.2%	6.0%	4.8%	4.7%		
\$75,000 under \$100,000	\$205,703	\$4.4	\$196,115	\$4.2	6.5%	6.2%	5.1%	4.9%		
\$100,000 under \$150,000	\$299,006	\$6.6	\$282,751	\$6.2	6.8%	6.5%	5.5%	5.2%		
\$150,000 under \$200,000	\$165,394	\$10.1	\$156,781	\$9.6	7.2%	6.8%	5.9%	5.6%		
\$200,000 under \$300,000	\$152,323	\$16.2	\$143,066	\$15.2	7.6%	7.1%	6.8%	6.4%		
\$300,000 and over	\$455,724	\$64.8	\$402,091	\$57.2	8.7%	7.7%	8.0%	7.0%		
<b>TOTAL TAXABLE RETURNS</b>	<b>\$1,785,873</b>	<b>\$3.5</b>	<b>\$1,648,985</b>	<b>\$3.2</b>	<b>6.8%</b>	<b>6.3%</b>	<b>5.5%</b>	<b>5.1%</b>		
<b>NON-TAXABLE RESIDENT RETURNS</b>										
Loss			-\$5,130	-\$0.4						
\$0 under \$5,000			-\$7,458	-\$0.1						
\$5,000 under \$10,000	NOT APPLICABLE		-\$1,942	-\$0.2			NOT APPLICABLE			
\$10,000 and over			-\$1,731	-\$0.2						
<b>TOTAL NONTAXABLE RETURNS</b>			<b>-\$16,262</b>	<b>-\$0.2</b>						
<b>TOTAL ALL RESIDENT RETURNS</b>	<b>\$1,785,873</b>	<b>\$2.9</b>	<b>\$1,632,723</b>	<b>\$2.7</b>						

Note: Details may not add to totals due to rounding.

**TABLE A-7**  
**HAWAII AGI, TAXABLE INCOME, TAX LIABILITY, AND DEDUCTIONS CLAIMED BY RESIDENTS, BY TAX DISTRICT - 2014**  
(\$ in thousands)

Tax Statistic	Tax District							
	Oahu (District 1)		Maui (District 2)		Hawaii (District 3)		Kauai (District 4)	
	No. Returns	Amount	No. Returns	Amount	No. Returns	Amount	No. Returns	Amount
Hawaii AGI	437,692	\$22,702,802	71,224	\$3,399,740	77,852	\$3,264,205	31,598	\$1,487,577
Taxable Income	363,376	\$19,485,499	60,090	\$2,812,260	61,480	\$2,659,861	26,253	\$1,237,170
Standard Deduction	202,447	\$556,005	33,547	\$93,587	41,286	\$118,568	15,522	\$43,580
<u>Itemized Deductions:</u>								
Contributions	170,113	\$719,275	26,885	\$78,058	23,723	\$78,406	11,335	\$32,121
Interest	116,924	\$1,418,315	18,469	\$216,754	21,527	\$196,225	8,143	\$86,583
Medical and Dental	54,942	\$392,205	8,745	\$54,947	10,109	\$63,007	d	d
Casualty Loss	225	\$6,779	42	\$710	74	\$977	d	d
Taxes	230,900	\$1,124,237	37,119	\$154,622	36,007	\$421,446	15,813	\$71,373
Miscellaneous	90,532	\$453,112	16,919	\$79,048	13,340	\$59,900	6,902	\$30,420
Disallowed Itemized Deductions	19,412	\$218,491	2,222	\$22,537	1,801	\$19,338	874	\$10,429
Total Itemized Deductions	235,237	\$3,895,432	37,676	\$561,602	36,566	\$800,624	16,076	\$234,138

Note: Details may not add to totals due to rounding.

"d" in the tables denotes the data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information.