

# TAX REVIEW COMMISSION 2025-2027

Second Meeting

February 17, 2026

## General Overview of the Hawai'i Tax System

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# STATE REVENUES BY TAX TYPE

- The bulk of the State's Tax Revenue comes from Consumption taxes

## CONSUMPTION TAXES

- General Excise and Use Tax
- Transient Accommodation Tax
- Fuel Tax
- Cigarette & Tobacco Tax
- Public Service Companies Tax
- Insurance Premiums Tax
- Liquor Tax
- Motor Vehicle Taxes & Fees

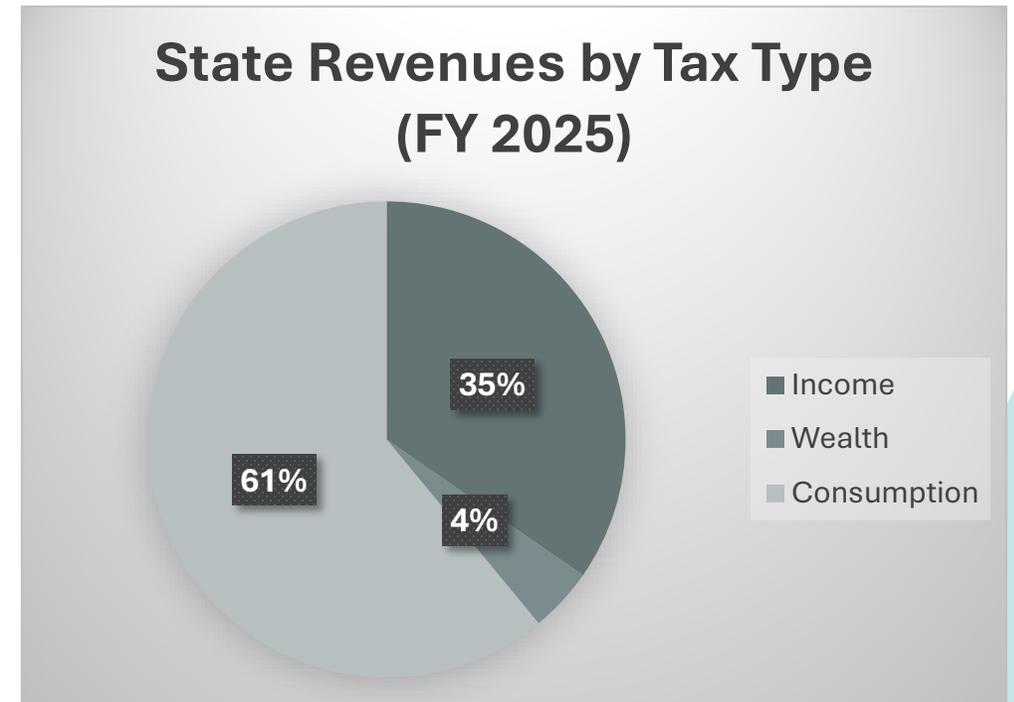
## INCOME TAXES

- Individual Income Tax
- Corporate Income Tax
- Unemployment Insurance Tax

## FRANCHISE TAX

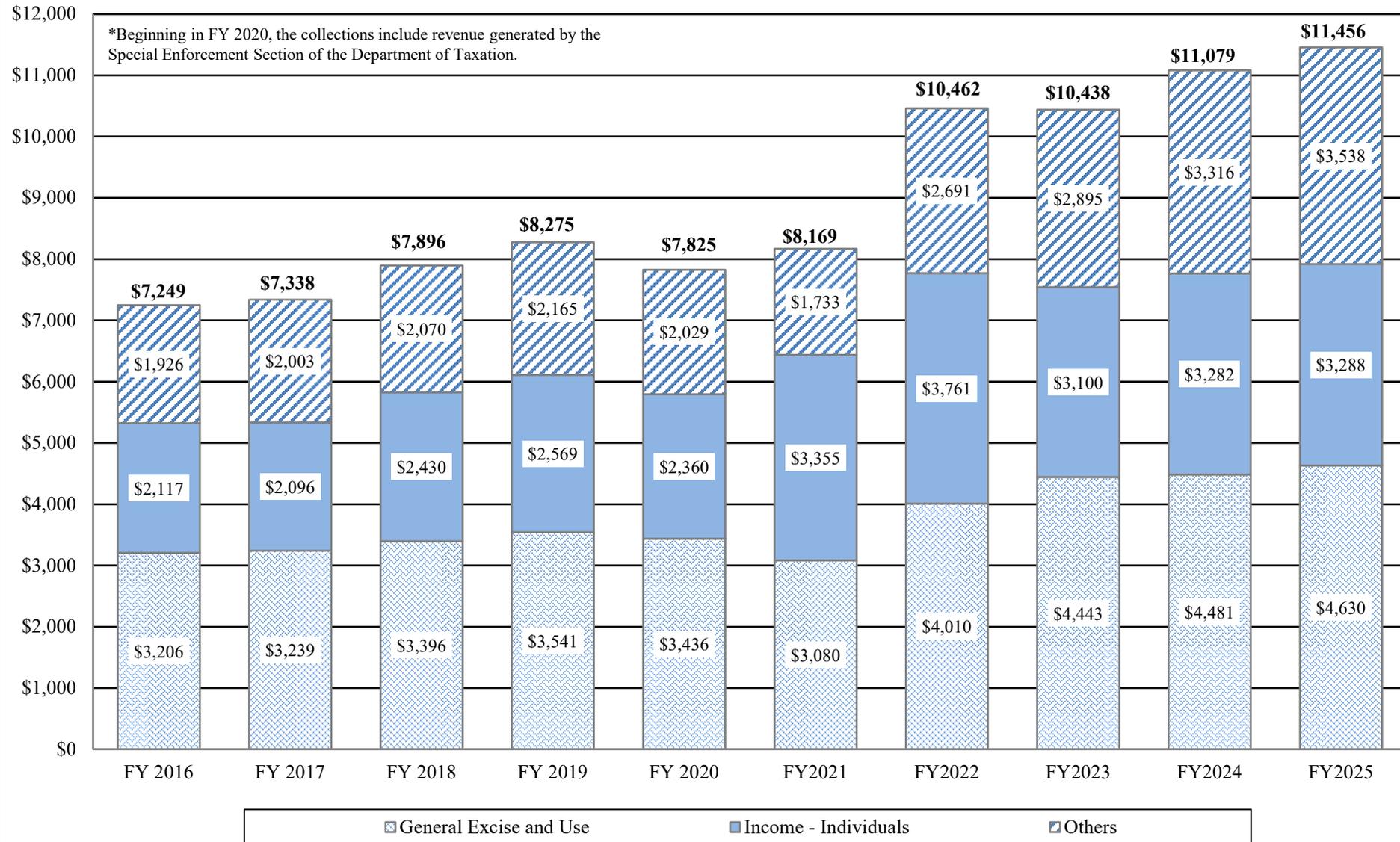
## WEALTH TAXES

- Estate Tax
- Conveyance Tax



## Total Tax Collections\* Fiscal Years 2016 - 2025

In Millions



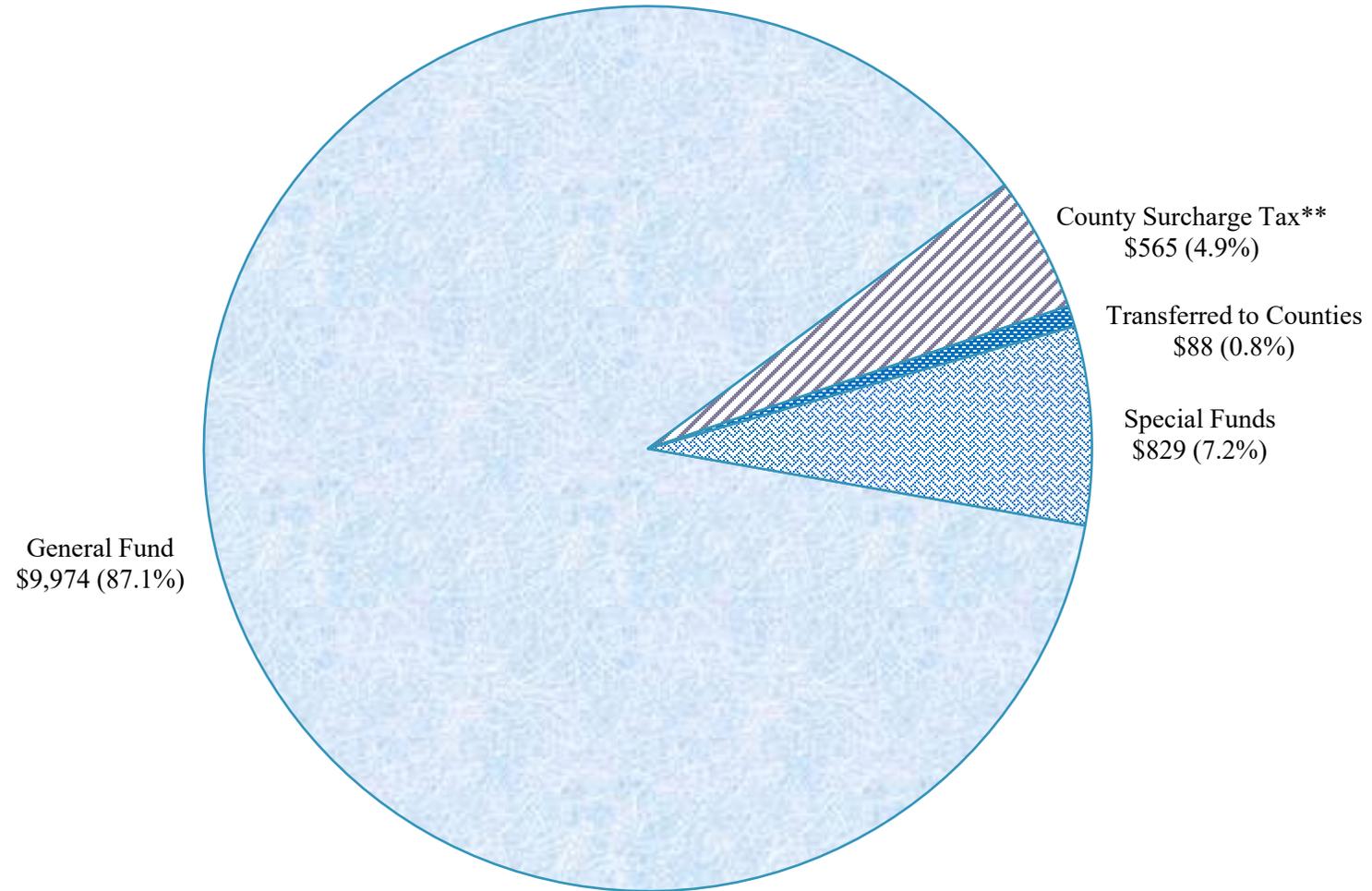
## Tax Revenue Composition\* Fiscal Years 2016 - 2025



\*Details may not add to totals due to rounding.



**Fiscal Year 2025 Distribution of Tax Revenues\***  
**(In millions of dollars)**



\*Details may not add to totals due to rounding.

\*\*Includes amounts allocated as of June 30, 2025 from the general excise tax surcharges imposed by the City and County of Honolulu, by the County of Maui, by the County of Hawai'i, and by the County of Kaua'i.



**TABLE 1. GENERAL EXCISE, CONSUMPTION, COMPENSATING AND USE TAX RATES (in percentages, up to July 1, 1989)**

Category	1935-39	1939-45	1945-47	1947-57	1957-61	1961-62	1962-65	1965-78	1978-86
Retailing	1.25*	1.25*	<u>1.50</u>	<u>2.50</u>	<u>3.50</u>	3.50	3.50	4.00	4.00
Services, retail	1.25*	1.25*	<u>1.50</u>	<u>2.50</u>	<u>3.50</u>	3.50	3.50	4.00	4.00
Services, intermediate	1.25*	1.25*	<u>1.50</u>	<u>2.50</u> (a)	<u>0.75</u>	<u>0.50</u>	0.50	0.50	0.50
Contracting	1.25*	1.25*	<u>1.50</u>	<u>2.50</u>	<u>3.50</u>	3.50	3.50	4.00	4.00
Rentals	1.25*	1.25*	<u>1.50</u>	<u>2.50</u>	<u>3.50</u>	3.50	3.50	4.00	4.00
Interest	1.25*	1.25*	<u>1.50</u>	<u>2.50</u>	<u>3.50</u>	3.50	3.50	4.00	4.00
Commissions, general	1.25*	1.25*	<u>1.50</u>	<u>2.50</u>	<u>3.50</u>	3.50	3.50	4.00	4.00
Commissions, insurance	1.25*	1.25*	<u>1.50</u>	<u>2.50</u>	<u>3.50</u>	1.50 (b)	1.50	2.00	0.15
Theater, amusements, radio	1.25*	1.25*	<u>1.50</u>	<u>2.50</u>	<u>3.50</u>	3.50	3.50	4.00	4.00
Printing and publishing	1.00	<u>1.25*</u>	<u>1.50</u>	<u>2.50</u>	<u>3.50</u>	3.50	3.50	4.00	4.00
Professions	0.50	<u>1.25*</u>	<u>1.50</u>	<u>2.50</u>	<u>3.50</u>	3.50	3.50	4.00	4.00
Airlines (c)	—	—	—	<u>2.50</u>	<u>3.50</u>	3.50	3.50	4.00	4.00
Sugar and pineapple production	1.25*	1.25*	<u>1.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.00</u>	<u>1.50-0.50</u> (d)	0.50	0.50
Other agricultural production	0.25	0.25	0.25	<u>1.50</u>	<u>1.00</u>	<u>0.50</u>	0.50	0.50	0.50
Other manufacturing	0.25	0.25	0.25	<u>1.50</u>	<u>1.00</u>	<u>0.50</u>	0.50	0.50	0.50
Wholesaling	0.25	0.25	0.25	<u>1.00</u>	<u>0.75</u>	<u>0.50</u>	0.50	0.50	0.50
Blind vendors	1.25*	1.25*	<u>1.50</u>	<u>1.00</u>	<u>1.00</u>	<u>0.50</u>	0.50	0.50	0.50
All others	1.25*	1.25*	<u>1.50</u>	<u>2.50</u>	<u>3.50</u>	3.50	3.50	4.00	4.00
Consumption/Use (e)	1.25	1.25	<u>1.50</u>	<u>2.50</u>	<u>3.50</u>	3.50	3.50	4.00	4.00
Compensating (f)	—	—	<u>1.50</u>	<u>1.00</u>	<u>0.75</u>	<u>0.50</u>	0.50	—	—
Telecommunications (g)	—	—	—	—	—	—	—	—	—

Note: Underlining indicates rate change

\* Could be reduced by treasurer with approval of governor, or increased no more than 0.25%, according to treasury needs.

(a) Reduced to 1.00% in June 1951 with respect to certain services.

(b) Effective July 1, 1960.

(c) Taxed under public utilities tax until January 1, 1954.

(d) To be reduced to 1.00% on July 1, 1963, to 0.50% on July 1, 1964.

(e) Replaced the consumption and compensating tax law with a use tax law in 1965.

(f) Rates shown are in lieu of wholesale rate. In some cases rate equal to that on retailing applies.

(g) Enacted in 1986, apportioned percentage of gross income, formula to be determined by the Dept. of Taxation.

Source: Hawaii's General Excise Tax, p.9; Session Laws of Hawaii, various years.

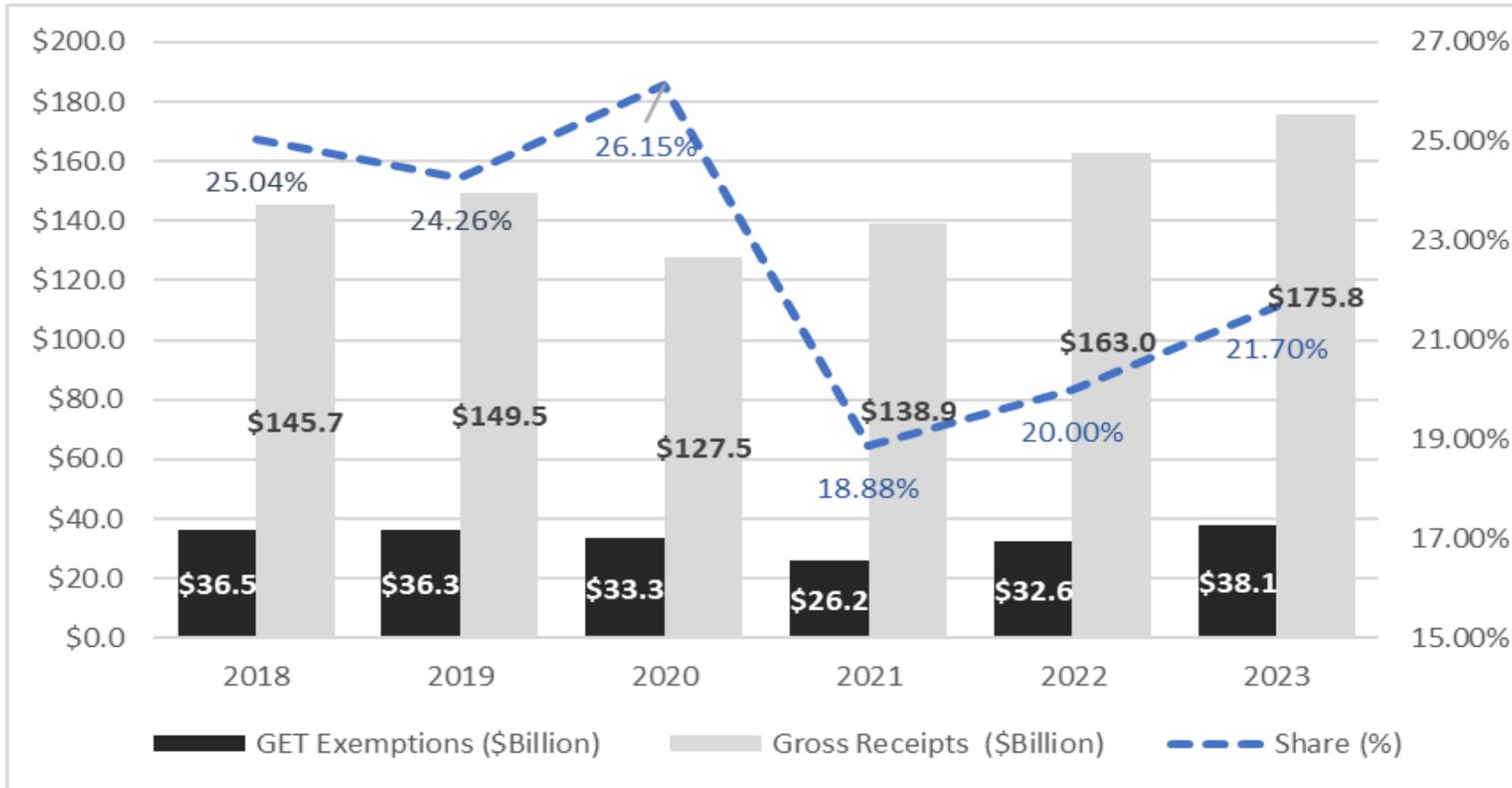
Source: Oyadomori, D., (1989), "Origin of Hawaii's General Excise Tax," Tax Review Commission Working Papers and Consultant Studies, Volume 2, pp. 85-89, December 1989.



# Understanding the GET

- GET is best defined as two taxes:
  - **A broad retail “consumption/sales” tax at 4%** (on gross revenues of retail sellers, contractors, service providers, rentals)
  - **Privilege Tax at 0.5%** (on manufacturers and wholesalers) and **0.15%** (on insurance commissions)

# GET Exemptions: 0% GET



Source: DOTAX GET Exemptions Report, December 2024.



# GET Exemptions: 0% GET

Source: DOTAX GET Exemptions Report, December 2024.

**Table 1**  
**GET Exemptions Claimed for Tax Year 2023**

Exemption	Amount (in \$1,000)	% of Total Amount	Number of Claims	% of Total Claims
130 - Non-profit Organizations (§237-23)	\$7,705,311	20.2%	1,034	2.9%
148 - Subcontract Deduction (§237-13(3)(B))	\$4,619,610	12.1%	2,202	6.3%
132 - Out of State Sales (§237-29.5(1))	\$4,184,559	11.0%	8,790	25.0%
113 - Drugs and Prosthetic Devices (§237-24.3(6))	\$2,729,963	7.2%	287	0.8%
141 - Sales to Federal Government and Credit Unions (§237-25(a))	\$2,355,706	6.2%	842	2.4%
157 - Imported for Resale at Wholesale (§238-2(1),238-2.3(a)(1)(A))	\$2,156,130	5.7%	109	0.3%
153 - Wholesale Transactions (§237-29.55)	\$1,854,276	4.9%	1,170	3.3%
127 - Maintenance Fees (§§237-24.3(2), 237-24(16))	\$1,845,552	4.8%	2,423	6.9%
100 - Affordable Housing (§§46-15.1, 201H-36 237-29, 238-3(j))	\$1,380,150	3.6%	574	1.6%
150 - Taxes Passed On (§§237-24(8), 237-24(9), 237-24(10), 237-24(12))	\$1,060,061	2.8%	11,221	32.0%

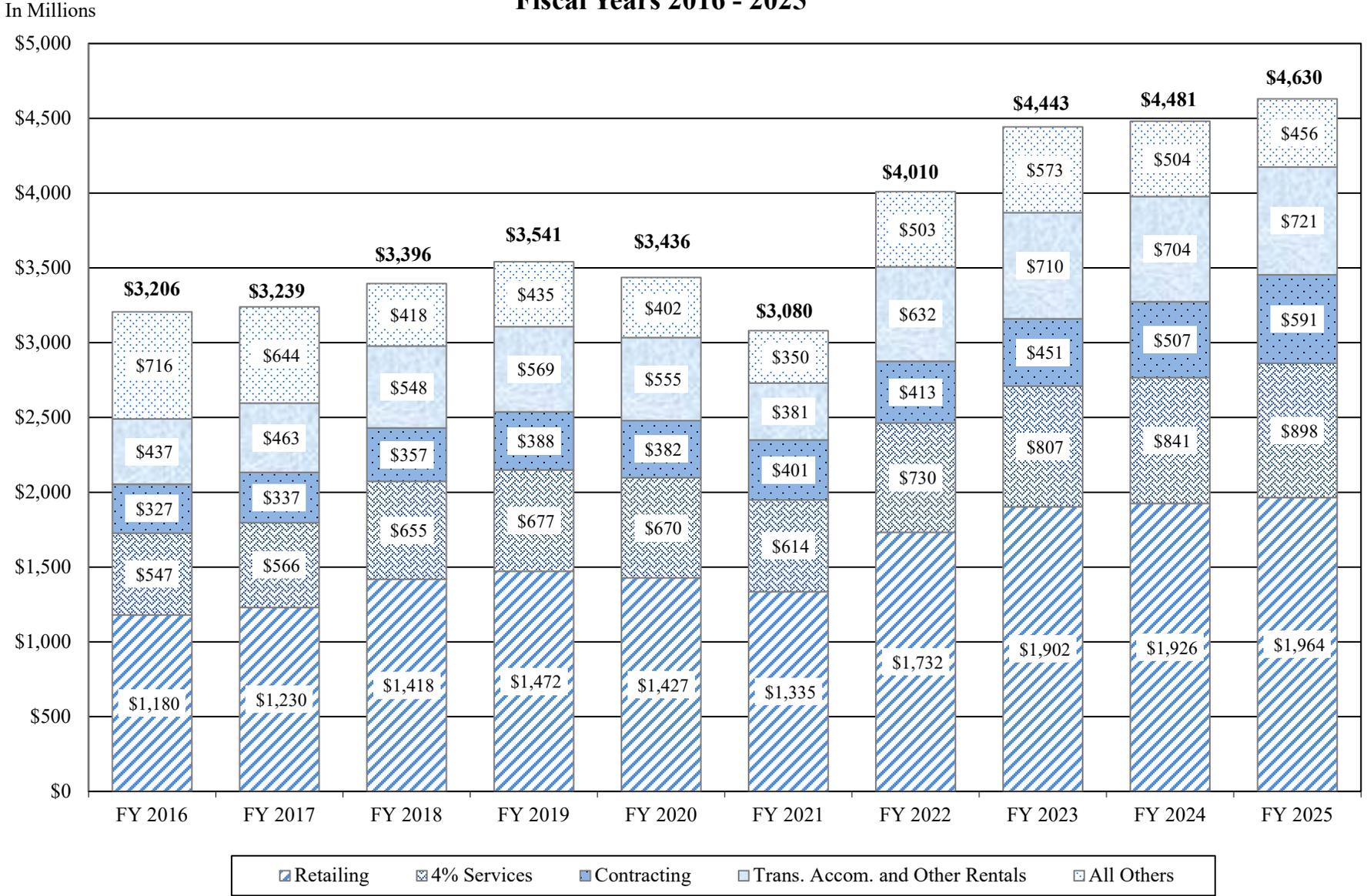
TABLE 1. SELECTED STATE SALES TAX CHARACTERISTICS, 1987

	General Sales & Gross Receipts Tax Rate Aug. 1988	General Sales & Gross Receipts Collections As a Percent of Total Tax Revenue	General Sales & Gross Receipts Collections As a Percent of Personal Income	General Sales & Gross Receipts Collections Per Capita	General Sales & Gross Receipts Base as a Percent of Personal Income
Alabama	4	27.4	1.9	216.45	48.1
Alaska	0				
Arizona	5	44.6	3.5	457.01	69.2
Arkansas	4	37.9	2.7	299.68	68.1
California	4.75	30.6	2.4	395.28	50.5
Colorado	3	28.1	1.4	218.04	48.1
Connecticut	7.5	41.8	2.9	567.74	38.9
Delaware	0				
District of Columbia	6	19.8	3.1	609.88	52.1
Florida	6	55.6	3.2	455.65	64.1
Georgia	3	32.7	2.1	279.54	70.6
Hawaii	4	48.2	5.2	753.48	129.2
Idaho	5	35.9	2.6	298.49	53.0
Illinois	5	32.3	1.9	294.02	37.8
Indiana	5	47.2	3.1	407.17	62.3
Iowa	4	31.0	2.2	291.50	54.3
Kansas	4	34.9	2.0	293.55	50.4
Kentucky	5	25.3	2.1	239.35	42.6
Louisiana	4	34.5	2.4	266.69	59.0
Maine	5	34.1	2.9	370.18	58.6
Maryland	5	25.0	1.7	287.20	34.6
Massachusetts	5	22.1	1.8	318.94	36.1
Michigan	4	28.7	2.1	307.45	52.3
Minnesota	6	26.5	2.3	345.88	38.7
Mississippi	6	52.2	4.0	386.82	66.4
Missouri	4.225	41.2	2.3	318.25	55.0
Montana	0				
Nebraska	4	32.5	1.8	245.01	50.8
Nevada	5.75	49.4	3.7	549.15	64.7
New Hampshire	0				
New Jersey	6	30.7	2.1	379.53	34.2
New Mexico	4.75	44.4	4.1	466.38	87.2
				725.00	41.9

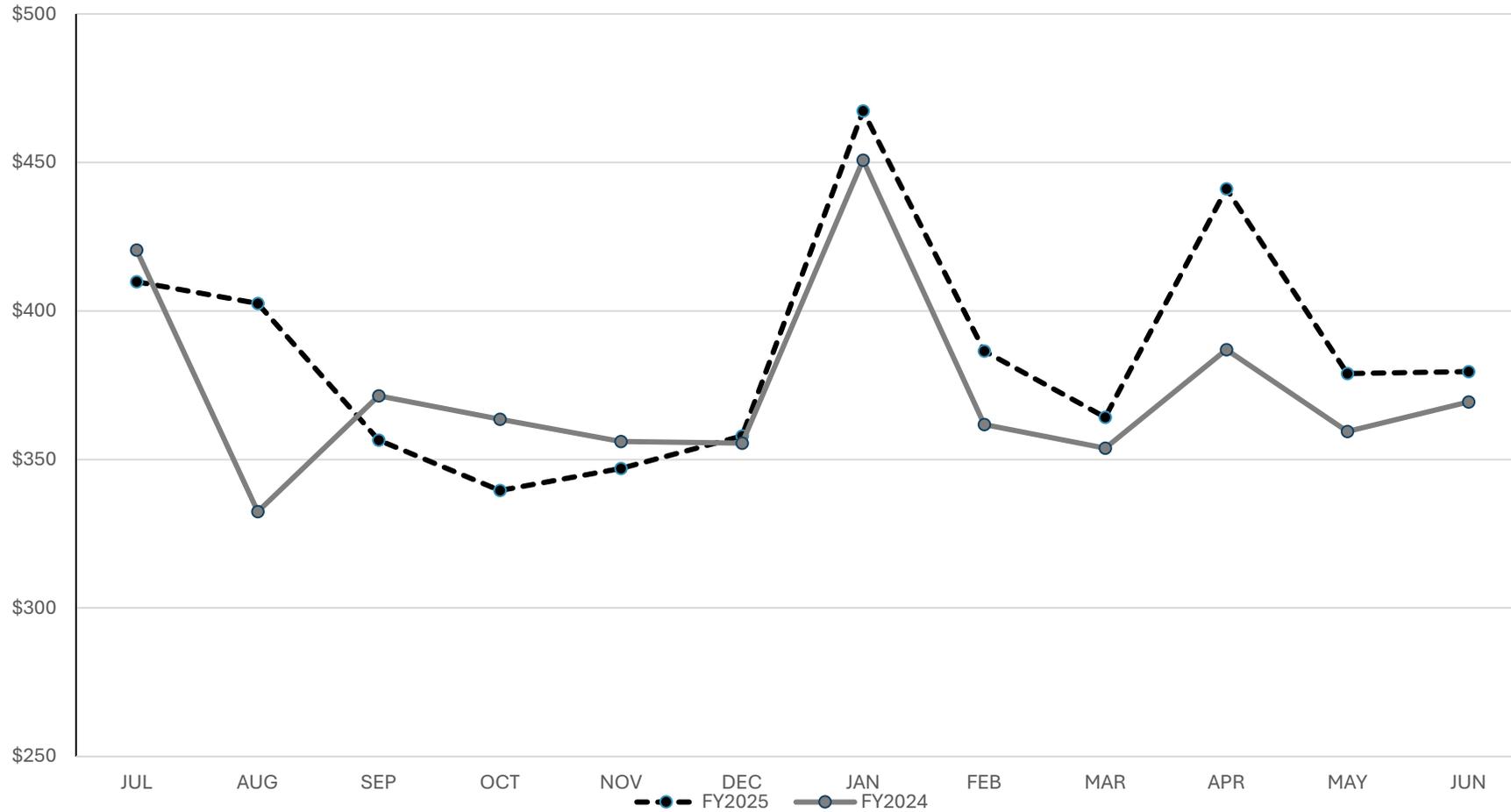
Source: Fox, W.F., (1989), "Defining the General Excise Tax Base: Exemptions and Pyramiding," Tax Review Commission Working Papers and Consultant Studies, Volume 2, pp. 65-84, December 1989.



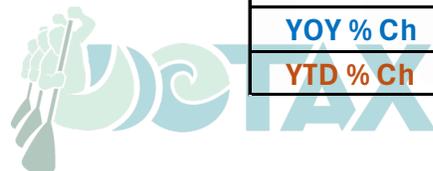
### General Excise and Use Tax Trends Fiscal Years 2016 - 2025



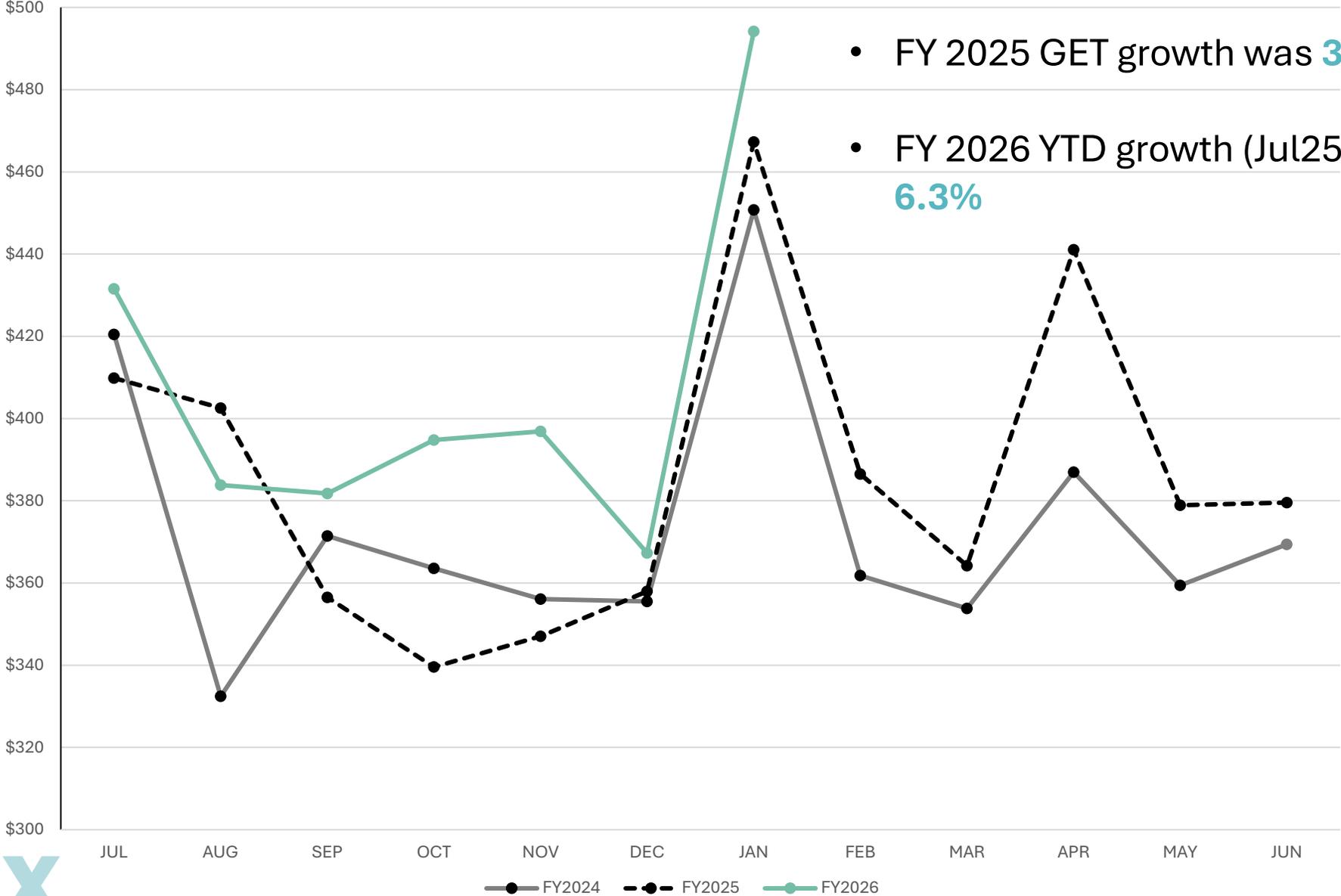
### General Excise & Use Tax Collections (\$ Million)



General Excise & Use Tax Collections													
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY
<b>FY2025</b>	\$410	\$403	\$356	\$340	\$347	\$358	\$467	\$387	\$364	\$441	\$379	\$380	\$4,631
<b>FY2024</b>	\$420	\$332	\$371	\$364	\$356	\$355	\$451	\$362	\$354	\$387	\$359	\$369	\$4,482
<b>YOY % Ch</b>	-2.53%	21.09%	-4.02%	-6.61%	-2.54%	0.70%	3.67%	6.83%	2.94%	13.99%	5.42%	2.76%	3.33%
<b>YTD % Ch</b>	-2.53%	7.90%	3.96%	1.38%	0.62%	0.63%	1.15%	1.83%	1.95%	3.19%	3.38%	3.33%	



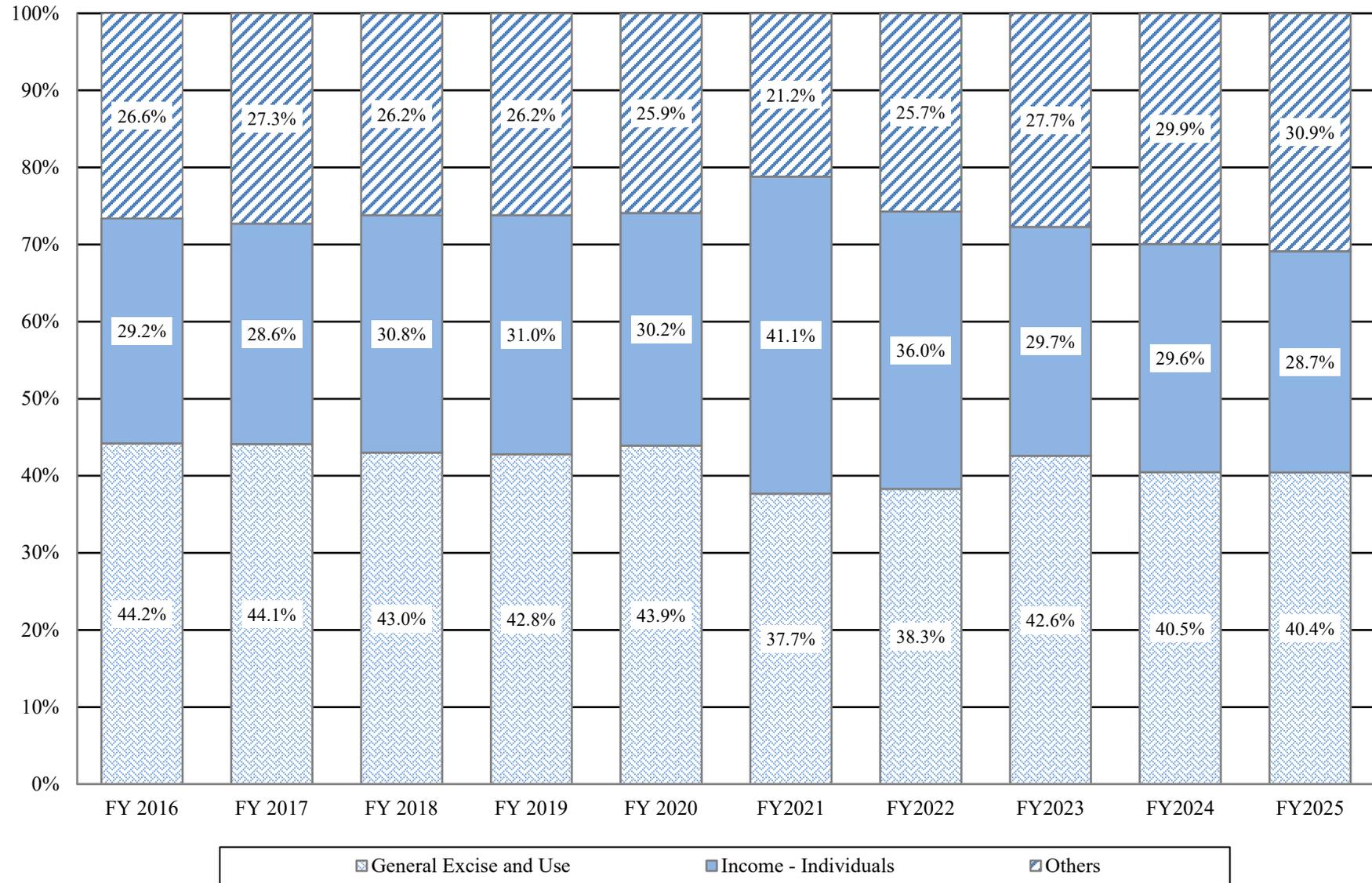
### General Excise & Use Tax Collections (\$ Million)



- FY 2025 GET growth was **3.3%**
- FY 2026 YTD growth (Jul25-Jan26) is **6.3%**



## Tax Revenue Composition\* Fiscal Years 2016 - 2025

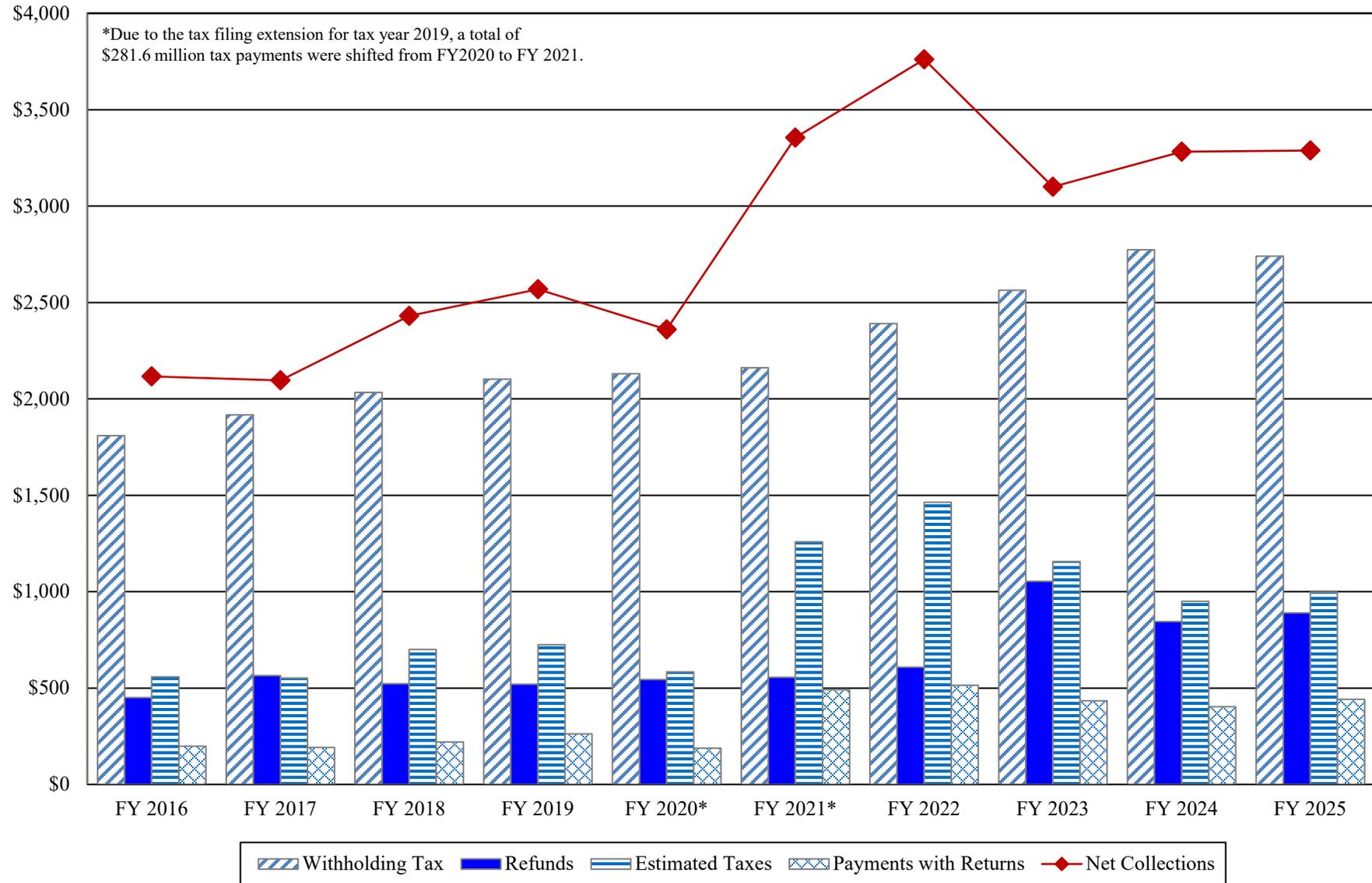


\*Details may not add to totals due to rounding.



## Components of the Individual Income Tax Fiscal Years 2016 - 2025

In Millions



## 2019-2024 TAX SCHEDULE

Tax Brackets	Marginal Tax Rate	Single/MFS Taxable Income		Joint/Widow(er) Taxable Inc.		Head of HH Taxable Income	
		Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)
Tax Bracket 1	1.40%		\$2,400		\$4,800		\$3,600
Tax Bracket 2	3.20%	\$2,400	\$4,800	\$4,800	\$9,600	\$3,600	\$7,200
Tax Bracket 3	5.50%	\$4,800	\$9,600	\$9,600	\$19,200	\$7,200	\$14,400
Tax Bracket 4	6.40%	\$9,600	\$14,400	\$19,200	\$28,800	\$14,400	\$21,600
Tax Bracket 5	6.80%	\$14,400	\$19,200	\$28,800	\$38,400	\$21,600	\$28,800
Tax Bracket 6	7.20%	\$19,200	\$24,000	\$38,400	\$48,000	\$28,800	\$36,000
Tax Bracket 7	7.60%	\$24,000	\$36,000	\$48,000	\$72,000	\$36,000	\$54,000
Tax Bracket 8	7.90%	\$36,000	\$48,000	\$72,000	\$96,000	\$54,000	\$72,000
Tax Bracket 9	8.25%	\$48,000	\$150,000	\$96,000	\$300,000	\$72,000	\$225,000
Tax Bracket 10	9.00%	\$150,000	\$175,000	\$300,000	\$350,000	\$225,000	\$262,500
Tax Bracket 11	10.00%	\$175,000	\$200,000	\$350,000	\$400,000	\$262,500	\$300,000
Tax Bracket 12	11.00%	\$200,000		\$400,000		\$300,000	

## ACTUAL 2025-2026 TAX SCHEDULE - ACT 46

Tax Brackets	Marginal Tax Rate	Single/MFS Taxable Income		Joint/Widow(er) Taxable Inc.		Head of HH Taxable Income	
		Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)	Over (>)	But Not Over (<=)
Tax Bracket 1	1.40%		\$9,600		\$19,200		\$14,400
Tax Bracket 2	3.20%	\$9,600	\$14,400	\$19,200	\$28,800	\$14,400	\$21,600
Tax Bracket 3	5.50%	\$14,400	\$19,200	\$28,800	\$38,400	\$21,600	\$28,800
Tax Bracket 4	6.40%	\$19,200	\$24,000	\$38,400	\$48,000	\$28,800	\$36,000
Tax Bracket 5	6.80%	\$24,000	\$36,000	\$48,000	\$72,000	\$36,000	\$54,000
Tax Bracket 6	7.20%	\$36,000	\$48,000	\$72,000	\$96,000	\$54,000	\$72,000
Tax Bracket 7	7.60%	\$48,000	\$125,000	\$96,000	\$250,000	\$72,000	\$187,500
Tax Bracket 8	7.90%	\$125,000	\$175,000	\$250,000	\$350,000	\$187,500	\$262,500
Tax Bracket 9	8.25%	\$175,000	\$225,000	\$350,000	\$450,000	\$262,500	\$337,500
Tax Bracket 10	9.00%	\$225,000	\$275,000	\$450,000	\$550,000	\$337,500	\$412,500
Tax Bracket 11	10.00%	\$275,000	\$325,000	\$550,000	\$650,000	\$412,500	\$487,500
Tax Bracket 12	11.00%	\$325,000		\$650,000		\$487,500	



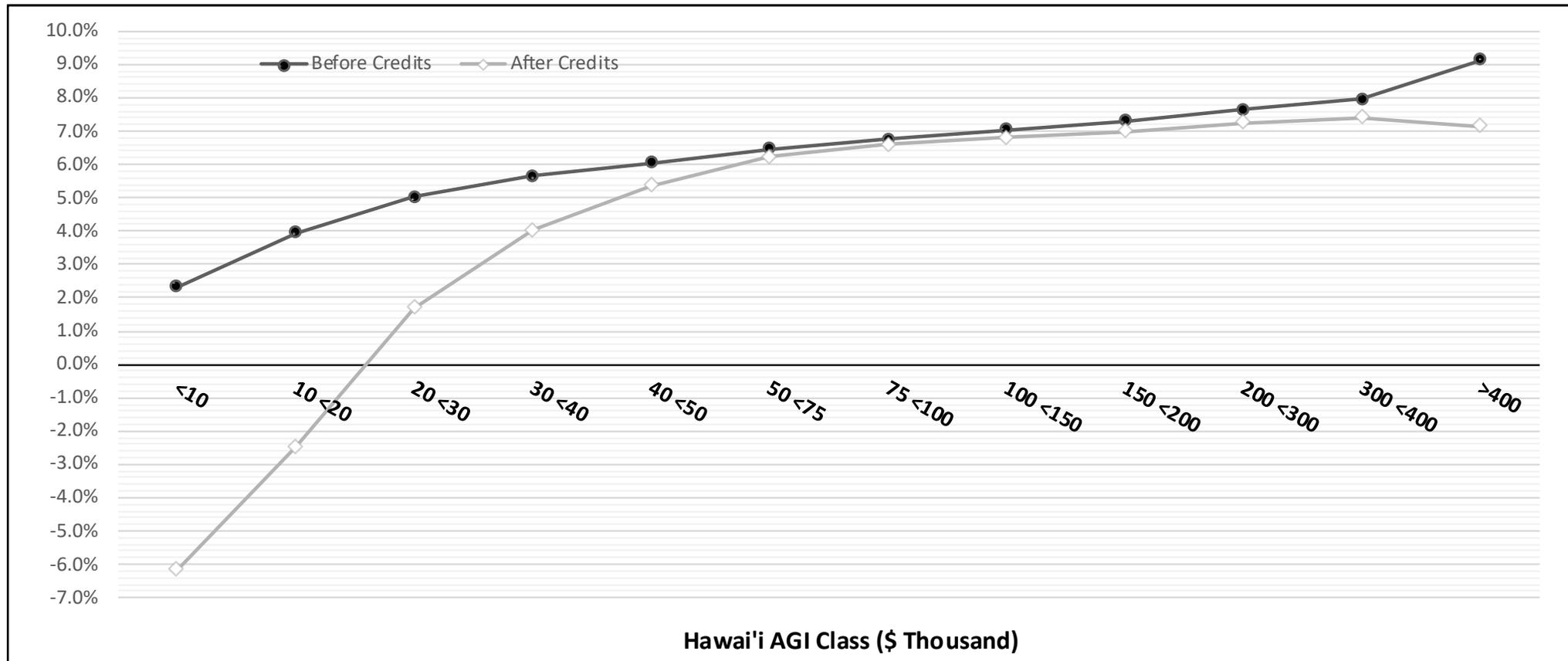
Tax Brackets	Marginal Tax Rate	Number of Returns			Percentage of Returns		
		Residents	Nonresidents	Total	Residents	Nonresidents	Total
<b>Tax Bracket 1</b>	<b>1.40%</b>	212,404	68,721	281,125	33.4%	64.9%	37.9%
<b>Tax Bracket 2</b>	<b>3.20%</b>	28,177	6,173	34,350	4.4%	5.8%	4.6%
<b>Tax Bracket 3</b>	<b>5.50%</b>	28,961	4,442	33,403	4.6%	4.2%	4.5%
<b>Tax Bracket 4</b>	<b>6.40%</b>	29,018	3,524	32,542	4.6%	3.3%	4.4%
<b>Tax Bracket 5</b>	<b>6.80%</b>	68,226	5,987	74,213	10.7%	5.7%	10.0%
<b>Tax Bracket 6</b>	<b>7.20%</b>	54,807	3,678	58,485	8.6%	3.5%	7.9%
<b>Tax Bracket 7</b>	<b>7.60%</b>	152,788	8,256	161,044	24.1%	7.8%	21.7%
<b>Tax Bracket 8</b>	<b>7.90%</b>	27,661	1,550	29,211	4.4%	1.5%	3.9%
<b>Tax Bracket 9</b>	<b>8.25%</b>	12,000	813	12,813	1.9%	0.8%	1.7%
<b>Tax Bracket 10</b>	<b>9.00%</b>	6,349	556	6,905	1.0%	0.5%	0.9%
<b>Tax Bracket 11</b>	<b>10.00%</b>	3,684	408	4,092	0.6%	0.4%	0.6%
<b>Tax Bracket 12</b>	<b>11.00%</b>	11,042	1,856	12,898	1.7%	1.8%	1.7%
		<b>635,117</b>	<b>105,964</b>	<b>741,081</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>



Tax Brackets	Marginal Tax Rate	TY 2026 SYNTHETIC AFTER-CREDIT TAX LIABILITY					
		Residents	% of Total	Nonresidents	% of Total	Total	% of Total
Tax Bracket 1	1.40%	-\$22,364,645	-1.0%	-\$4,725,140	-2.3%	-\$27,089,785	-1.1%
Tax Bracket 2	3.20%	\$2,559,800	0.1%	\$984,572	0.5%	\$3,544,372	0.1%
Tax Bracket 3	5.50%	\$6,811,454	0.3%	\$1,300,563	0.6%	\$8,112,017	0.3%
Tax Bracket 4	6.40%	\$13,696,963	0.6%	\$1,749,145	0.9%	\$15,446,108	0.6%
Tax Bracket 5	6.80%	\$68,386,463	3.1%	\$5,166,000	2.5%	\$73,552,463	3.0%
Tax Bracket 6	7.20%	\$98,877,275	4.4%	\$5,836,469	2.9%	\$104,713,744	4.3%
Tax Bracket 7	7.60%	\$628,155,215	28.1%	\$31,856,755	15.6%	\$660,011,970	27.0%
Tax Bracket 8	7.90%	\$241,522,148	10.8%	\$13,459,097	6.6%	\$254,981,245	10.4%
Tax Bracket 9	8.25%	\$148,802,744	6.6%	\$10,220,901	5.0%	\$159,023,645	6.5%
Tax Bracket 10	9.00%	\$101,110,302	4.5%	\$8,772,936	4.3%	\$109,883,238	4.5%
Tax Bracket 11	10.00%	\$72,229,122	3.2%	\$7,955,738	3.9%	\$80,184,860	3.3%
Tax Bracket 12	11.00%	\$878,820,985	39.3%	\$121,848,540	59.6%	\$1,000,669,525	41.0%
		<b>\$2,238,607,826</b>	<b>100.0%</b>	<b>\$204,425,576</b>	<b>100.0%</b>	<b>\$2,443,033,402</b>	<b>100.0%</b>



# Average Effective Tax Rates on Taxable Income of Residents by Hawai'i AGI Class in Tax Year 2023



## Major Tax-Related Measures Passed by the 2024 Legislature and Enacted into Law

### Estimates of General Fund Tax Revenue Gain or (Loss)

(Dollar amounts are in \$ millions)

Act Number	Description	General Fund Revenue Gain (or Loss)						
		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Act 46, SLH 2024	<b>Individual Income Tax Cut.</b> Increases the standard deduction amounts, with amendments taking effect in tax years 2024, 2026, 2028, 2030, and 2031. Act 46 also amends the income tax brackets by increasing the income limits in each bracket, with amendments taking effect in tax years 2025, 2027, and 2029.	(\$240.3)	(\$596.6)	(\$740.1)	(\$922.7)	(\$1,052.6)	(\$1,262.3)	(\$1,347.5)
Act 47, SLH 2024	<b>GET Exemption.</b> Exempts medical services provided by health care providers to patients who receive Medicaid, Medicare, or TRICARE benefits from the general excise tax. Applies to taxable years beginning 1/1/2026.	\$0.0	(\$33.6)	(\$77.5)	(\$81.0)	(\$84.5)	(\$88.2)	(\$92.1)
<b>Total</b>		<b>(\$240.3)</b>	<b>(\$630.2)</b>	<b>(\$817.6)</b>	<b>(\$1,003.7)</b>	<b>(\$1,137.1)</b>	<b>(\$1,350.5)</b>	<b>(\$1,439.6)</b>

### ACT 46, SLH 2024

#### STANDARD DEDUCTION CHANGES

	CY2023	CY2024		CY2026		CY2028		CY2030	CY2031
<b>Single</b>	\$2,200	\$4,400		\$8,000		\$9,000		\$10,000	\$12,000
<b>Joint</b>	\$4,400	\$8,800		\$16,000		\$18,000		\$20,000	\$24,000
<b>HH</b>	\$3,212	\$6,424		\$12,000		\$13,500		\$15,000	\$18,000

TAX BRACKET CHANGES	CY2025		CY2027		CY2029



## 2019-2024 ACTUAL TAX SCHEDULE

### Married Filing Joint Returns and Qualifying Widow(er)s

Over (>)	But Not Over (<=)	Your tax is:	
	\$4,800	1.40%	
\$4,800	\$9,600	\$67 plus	3.20%
\$9,600	\$19,200	\$221 plus	5.50%
\$19,200	\$28,800	\$749 plus	6.40%
\$28,800	\$38,400	\$1,363 plus	6.80%
\$38,400	\$48,000	\$2,016 plus	7.20%
\$48,000	\$72,000	\$2,707 plus	7.60%
\$72,000	\$96,000	\$4,531 plus	7.90%
\$96,000	\$300,000	\$6,427 plus	8.25%
\$300,000	\$350,000	\$23,257 plus	9.00%
\$350,000	\$400,000	\$27,757 plus	10.00%
\$400,000		\$32,757 plus	11.00%

## ACT 46, SLH 2024

### TAX YEAR 2025

### Married Filing Joint Returns and Qualifying Widow(er)s

Over (>)	But Not Over (<=)	Your tax is:	
	\$19,200	1.40%	
\$19,200	\$28,800	\$269 plus	3.20%
\$28,800	\$38,400	\$576 plus	5.50%
\$38,400	\$48,000	\$1,104 plus	6.40%
\$48,000	\$72,000	\$1,718 plus	6.80%
\$72,000	\$96,000	\$3,350 plus	7.20%
\$96,000	\$250,000	\$5,078 plus	7.60%
\$250,000	\$350,000	\$16,782 plus	7.90%
\$350,000	\$450,000	\$24,682 plus	8.25%
\$450,000	\$550,000	\$32,932 plus	9.00%
\$550,000	\$650,000	\$41,932 plus	10.00%
\$650,000		\$51,932 plus	11.00%

## ACT 46, SLH 2024

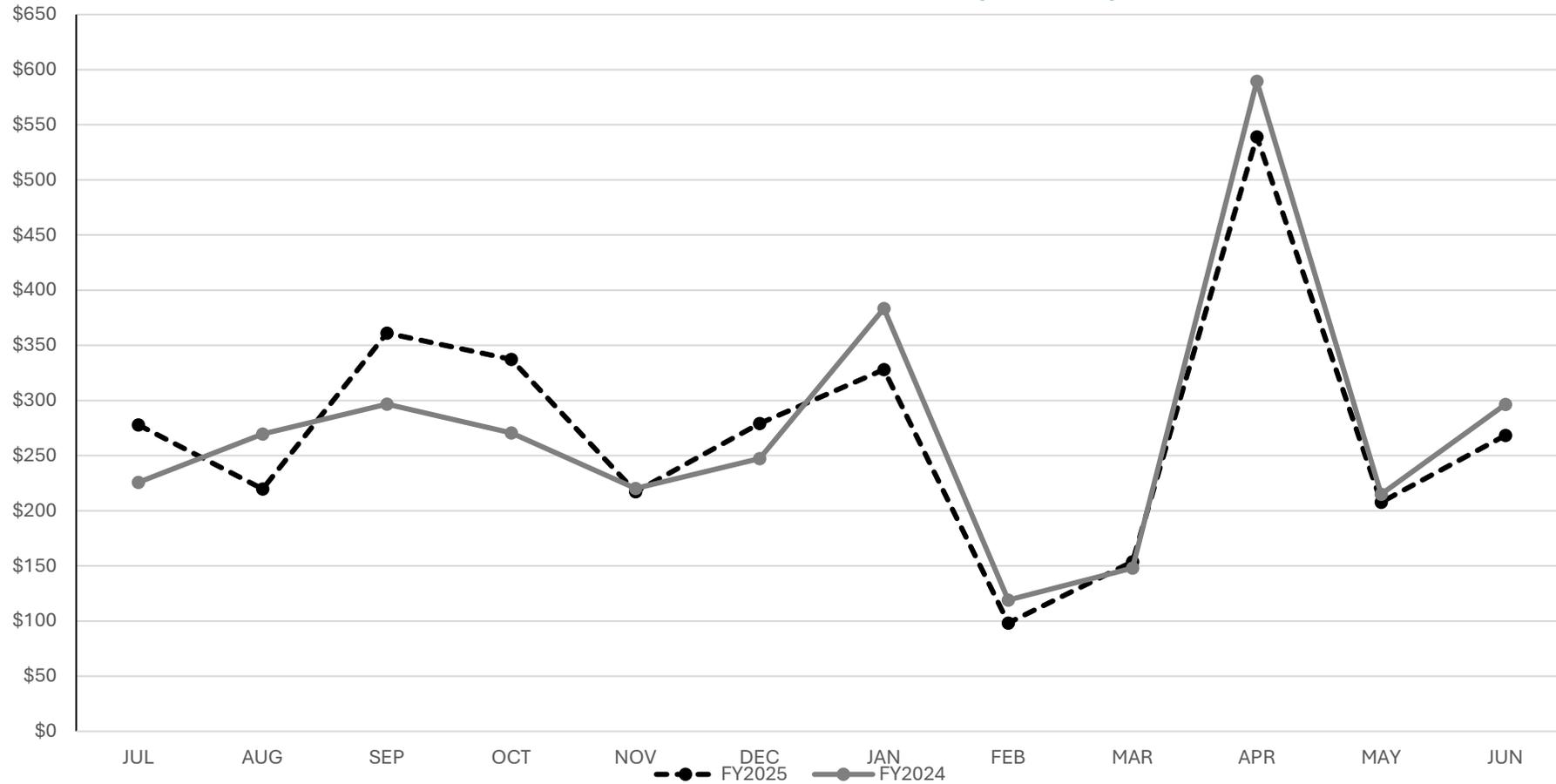
### STANDARD DEDUCTION CHANGES

	CY2023	CY2024	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031
Single	\$2,200	\$4,400		\$8,000		\$9,000		\$10,000	\$12,000
Joint	\$4,400	\$8,800		\$16,000		\$18,000		\$20,000	\$24,000
HH	\$3,212	\$6,424		\$12,000		\$13,500		\$15,000	\$18,000
<b>TAX BRACKET CHANGES</b>									

RESIDENT FEDERAL AGI DECILE			TAX LIABILITY REDUCTION AS A SHARE OF TOTAL TAX LIABILITY BEFORE THE CHANGE		
Filing Status: Married Filing Jointly			Residents	Nonresidents	Total
Jointly					
	Under	\$21,296	N/A	122.3%	N/A
\$21,296	to under	\$41,523	115.9%	88.3%	114.5%
\$41,523	to under	\$60,284	70.9%	73.5%	71.0%
\$60,284	to under	\$77,032	49.8%	62.2%	50.2%
\$77,032	to under	\$92,884	38.5%	55.8%	39.0%
\$92,884	to under	\$109,492	31.3%	44.7%	31.6%
\$109,492	to under	\$129,538	26.1%	39.9%	26.5%
\$129,538	to under	\$157,233	21.7%	34.2%	22.1%
\$157,233	to under	\$208,304	18.0%	28.6%	18.4%
\$208,304	and over		9.2%	12.3%	9.4%
			<b>19.4%</b>	<b>19.8%</b>	<b>19.4%</b>



### Individual Income Tax Collections (\$ Million)

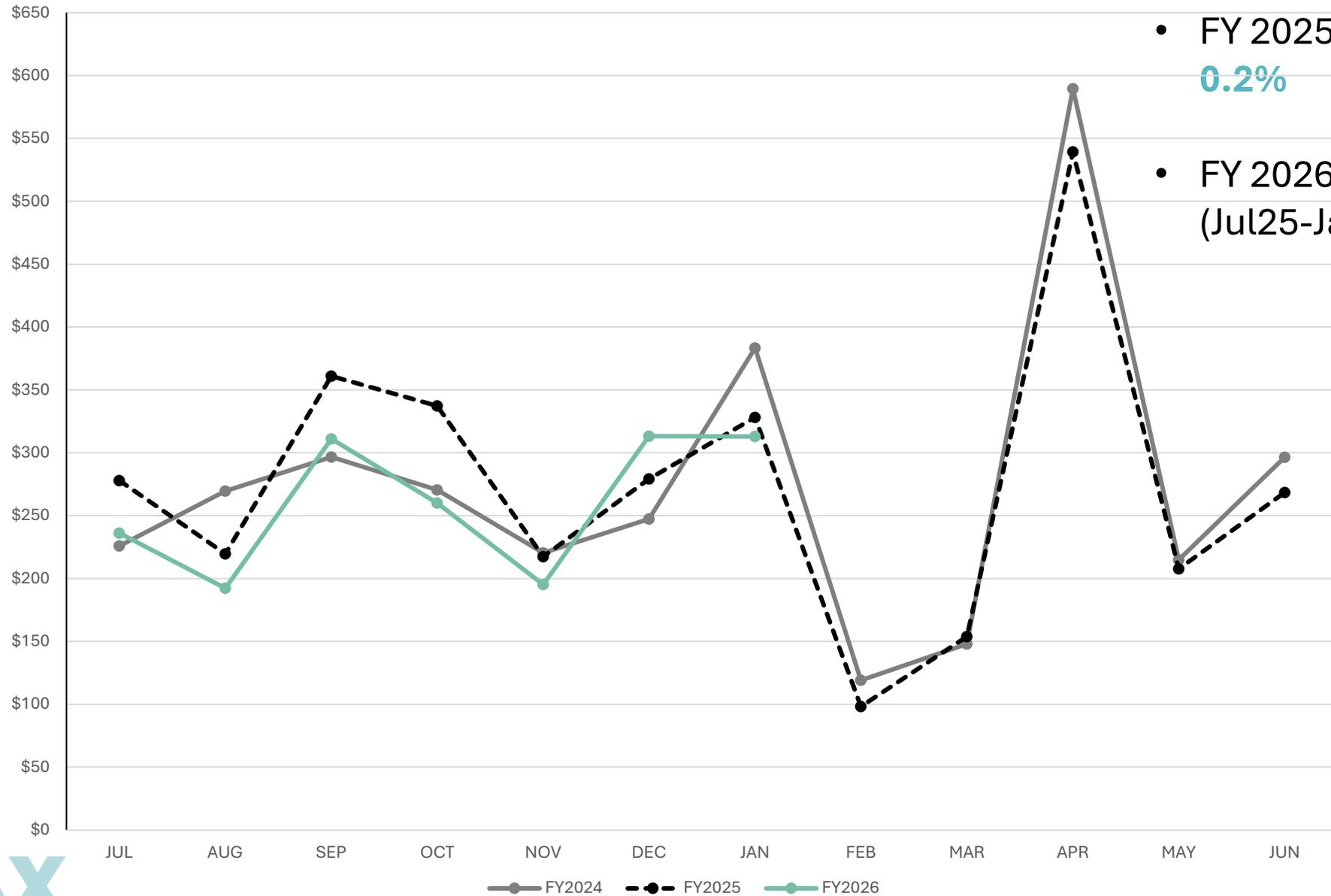


Individual Income Tax Collections

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY
<b>FY2025</b>	\$278	\$220	\$361	\$337	\$217	\$279	\$328	\$98	\$154	\$539	\$208	\$268	\$3,288
<b>FY2024</b>	\$226	\$270	\$297	\$271	\$220	\$247	\$383	\$119	\$148	\$589	\$215	\$296	\$3,282
<b>YOY % Ch</b>	23.09%	-18.50%	21.67%	24.69%	-1.36%	12.86%	-14.42%	-17.49%	3.92%	-8.53%	-3.32%	-9.42%	0.20%
<b>YTD % Ch</b>	23.09%	0.46%	8.41%	12.55%	10.16%	10.60%	5.59%	4.24%	4.22%	1.50%	1.16%	0.20%	



### Individual Income Tax Collections (\$ Million)



- FY 2025 IIT growth was **0.2%**
- FY 2026 YTD growth (Jul25-Jan26) is **-9.9%**



SOURCE OF REVENUE	FY 2025	
	Amount Collected	% of Total
Banks - Financial Corps.	\$ 10,296	0.09
Conveyance	96,045	0.84
Employment Security Contributions	281,225	2.45
Fuel <sup>3,4</sup>	167,966	1.47
Environmental Response	27,125	0.24
General Excise and Use	4,630,396	40.42
County Surcharge <sup>5</sup>	565,256	4.93
Income - Corporations	400,384	3.49
Income - Individuals	3,288,093	28.70
Inheritance and Estate	405,766	3.54
Insurance Premiums	218,833	1.91
Liquor and Permits	50,149	0.44
Motor Vehicle Tax and Fees <sup>1</sup>	145,418	1.27
Rental Vehicle Tax and Fees	118,181	1.03
Public Service Companies	154,478	1.35
Tobacco and Licenses	79,887	0.70
Trans. Accom. Fees	16	0.00
Trans. Accom. Tax	816,184	7.12
All Others <sup>2</sup>	638	0.01
<b>TOTAL</b>	<b>\$ 11,456,335</b>	<b>100.00</b>



## Transient Accommodations Tax Distributions Fiscal Years 2016 - 2025

In Millions

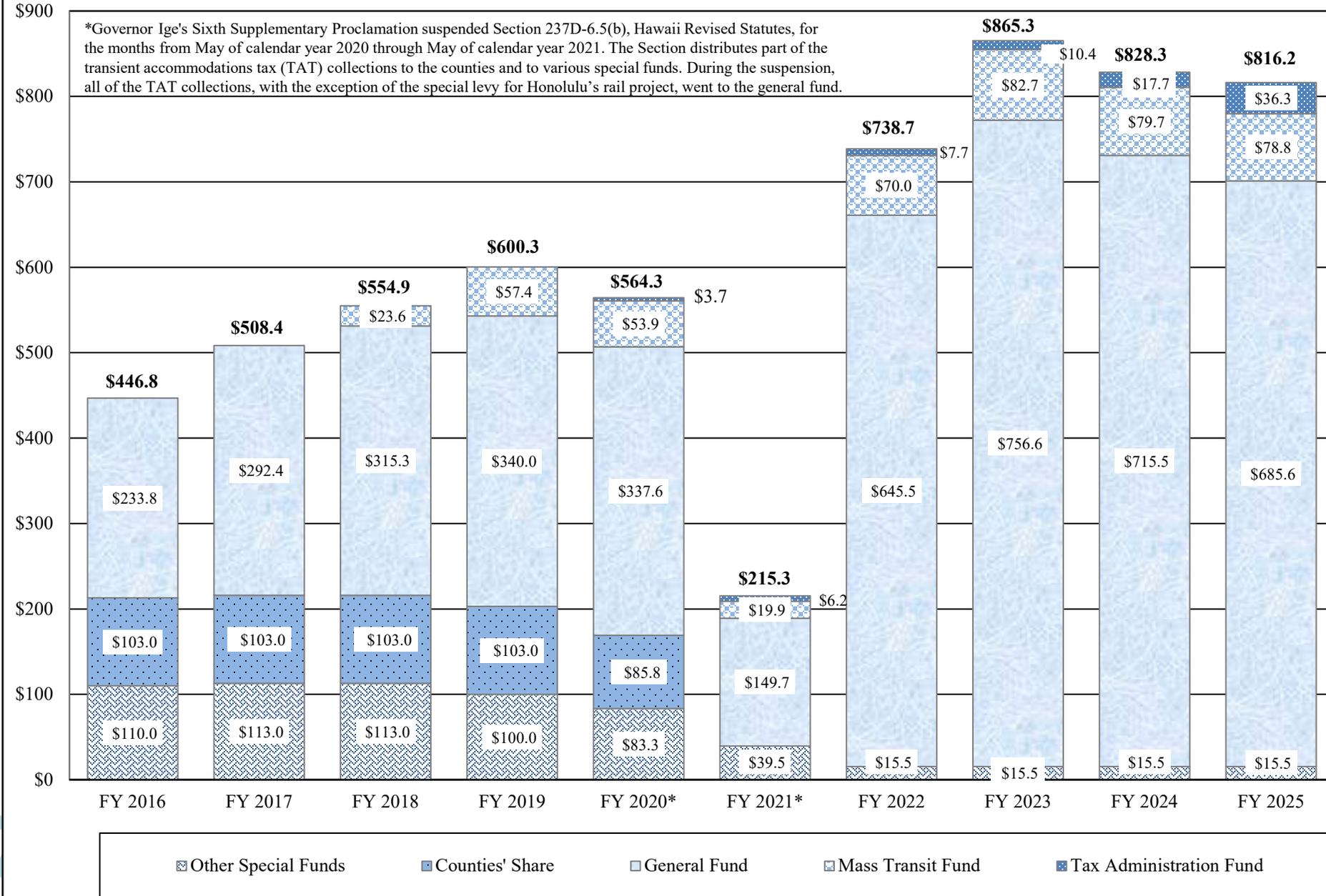


TABLE 1.9 - STATE GENERAL FUND

(In Thousands of Dollars)

SOURCE OF REVENUE	FY 2017		FY 2016	
	Amount Collected	% of Total	Amount Collected	% of Total
Banks - Financial Corps.	\$ 9,174	0.15	\$ 12,691	0.20
Conveyance	49,737	0.79	26,415	0.43
General Excise & Use	3,239,225	51.29	3,206,154	51.76
Income - Corporations	76,761	1.22	93,036	1.50
Income - Individuals	2,192,341	34.72	2,116,392	34.17
Inheritance and Estate	18,968	0.30	49,613	0.80
Insurance Premiums	164,688	2.61	153,173	2.47
Liquor & Permits	51,167	0.81	50,590	0.82
Public Service Companies	122,159	1.93	152,760	2.47
Tobacco & Licenses	82,792	1.31	83,685	1.35
Trans. Accom. Tax	292,357	4.63	233,781	3.77
Environmental Tax	15,090	0.24	15,359	0.25
All Others *	755	0.01	708	0.01
<b>TOTAL</b>	<b>\$ 6,315,215</b>	<b>100.00</b>	<b>\$ 6,194,356</b>	<b>100.00</b>

\* Includes fuel retail dealer permits, fuel penalty and interest, permitted transfers tax, general excise fees, trans accom fees and rental vehicle fees.

NOTE: Due to rounding, details may not add to totals.

Baybars Karacaovali, Ph.D.



TABLE 1.9 - STATE GENERAL FUND  
(In Thousands of Dollars)

SOURCE OF REVENUE	FY 2025		FY 2024	
	Amount Collected	% of Total	Amount Collected	% of Total
Banks - Financial Corps.	\$ 8,296	0.08	\$ 28,912	0.30
Conveyance	52,945	0.53	54,311	0.57
General Excise and Use	4,599,977	46.12	4,446,125	46.47
Income - Corporations	400,297	4.01	483,676	5.05
Income - Individuals	3,287,127	32.96	3,280,416	34.28
Inheritance and Estate	405,766	4.07	55,794	0.58
Insurance Premiums	218,833	2.19	211,352	2.21
Liquor and Permits	50,149	0.50	51,602	0.54
Public Service Companies	154,478	1.55	159,222	1.66
Tobacco and Licenses	56,922	0.57	58,789	0.61
Trans. Accom. Tax	716,905	7.19	715,475	7.48
Environmental Response Tax	21,824	0.22	21,968	0.23
All Others *	642	0.01	672	0.01
<b>TOTAL</b>	<b>\$ 9,974,161</b>	<b>100.00</b>	<b>\$ 9,568,313</b>	<b>100.00</b>

\* Includes fuel retail dealer permits, fuel penalty and interest, general excise fees, trans accom fees and rental vehicle fees.

NOTE: Due to rounding, details may not add to totals.



## Major Tax-Related Measures Passed by the 2025 Legislature and Enacted into Law

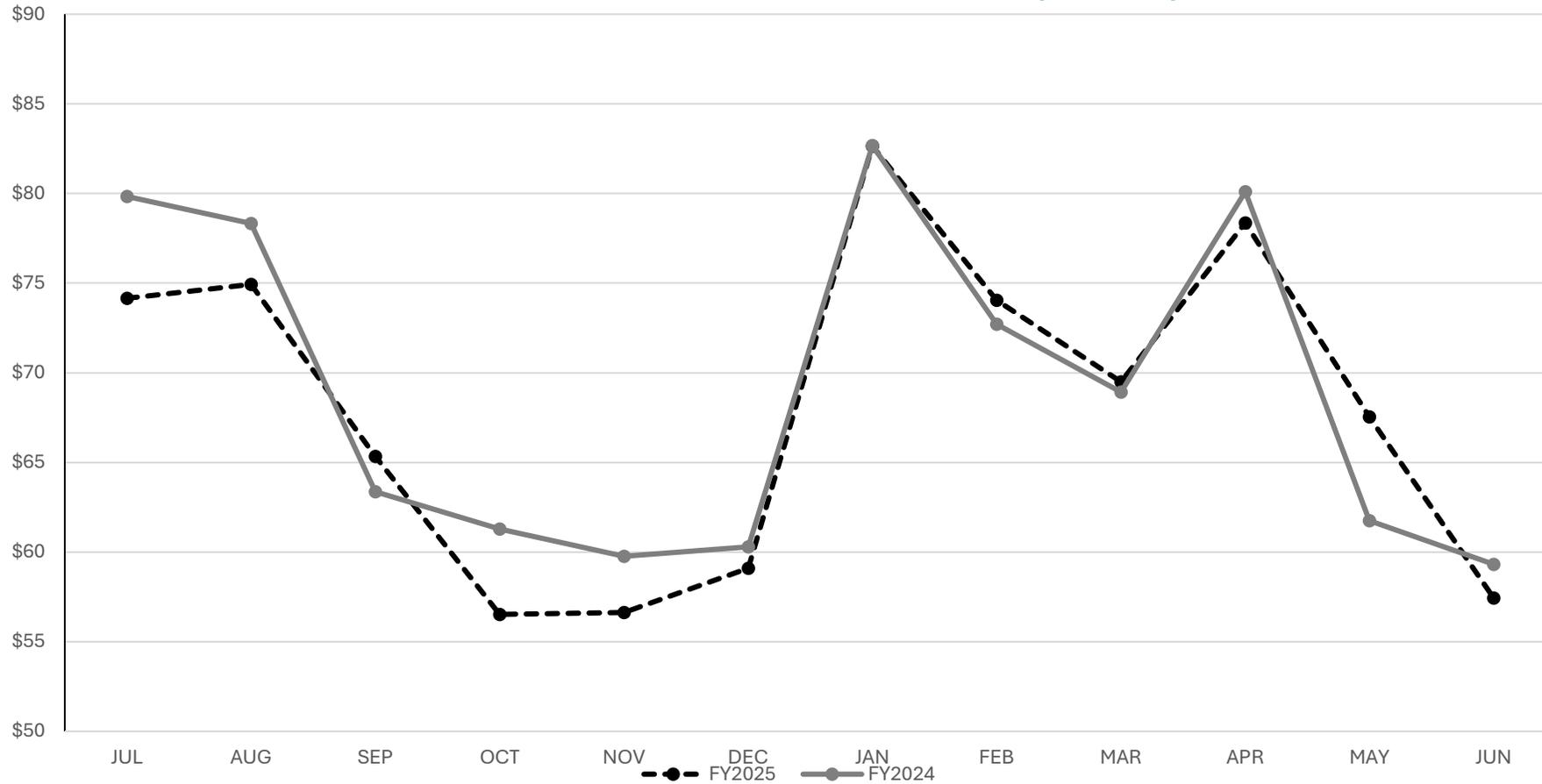
Estimates of General Fund Tax Revenue Gain or (Loss)

(Dollar amounts are in \$ millions)

Act Number	Description							
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Act 58, SLH 2025	<b>Pass-Through Entity (PTE) Tax Add-Back</b> Eliminates double benefit by adding PTE credit back to the qualified member's taxable income. Effective on May 15, 2025, and applicable to Tax Year 2025.	\$29.3	\$30.8	\$32.4	\$34.0	\$35.7	\$37.5	\$39.4
Act 96, SLH 2025	<b>Transient Accommodations Tax Increase and Imposition on Cruise Ships</b> Increases TAT by 0.75% (climate impact/green fee) and imposes TAT on gross rental proceeds derived from cruise fares. Effective on January 1, 2026 for TY 2026-TY 2030.	\$42.0	\$87.0	\$88.0	\$88.9	\$88.8	\$87.8	\$89.8
<b>Total</b>		<b>\$71.3</b>	<b>\$117.8</b>	<b>\$120.4</b>	<b>\$122.9</b>	<b>\$124.5</b>	<b>\$125.3</b>	<b>\$129.2</b>



### Transient Accommodations Tax Collections (\$ Million)

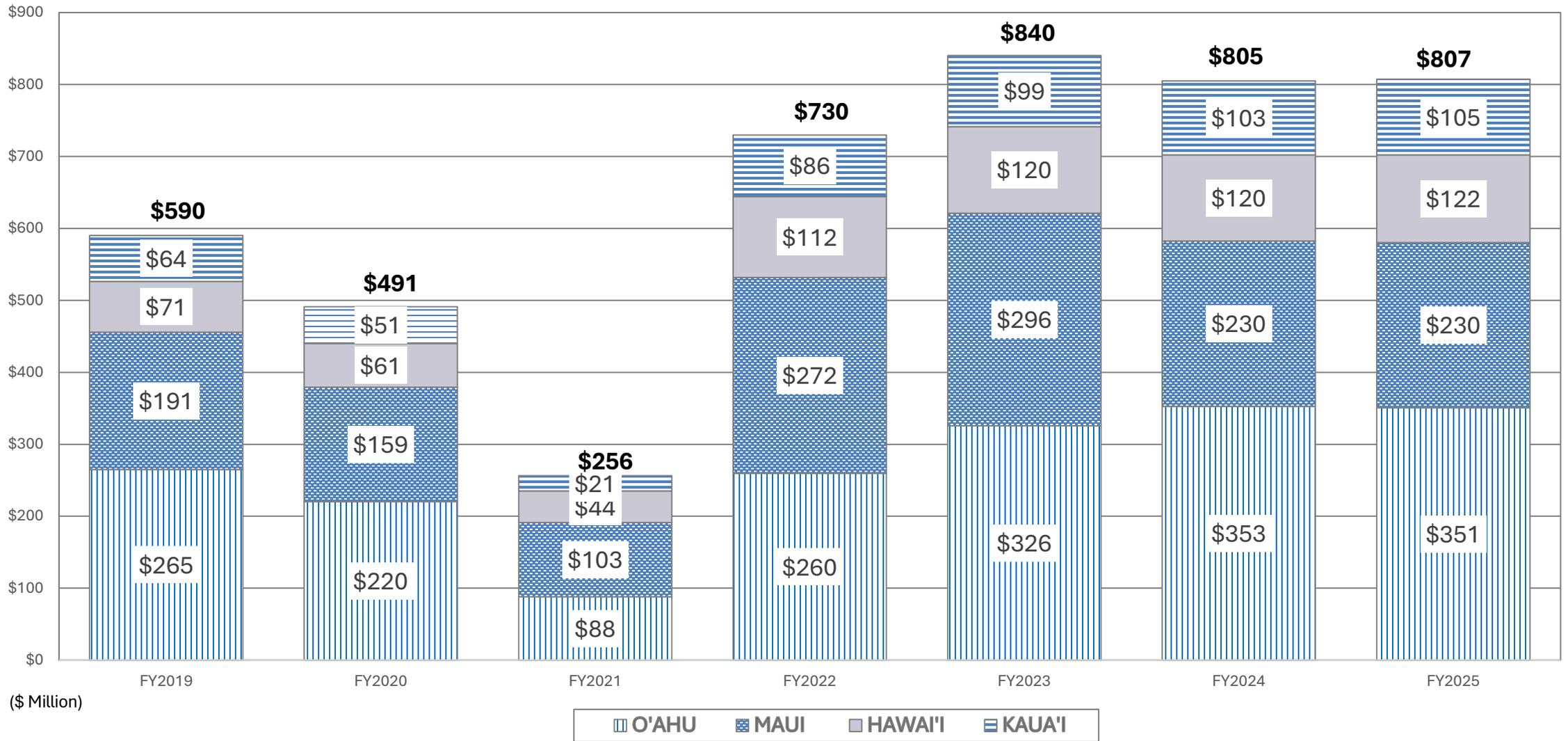


Transient Accommodations Tax Collections

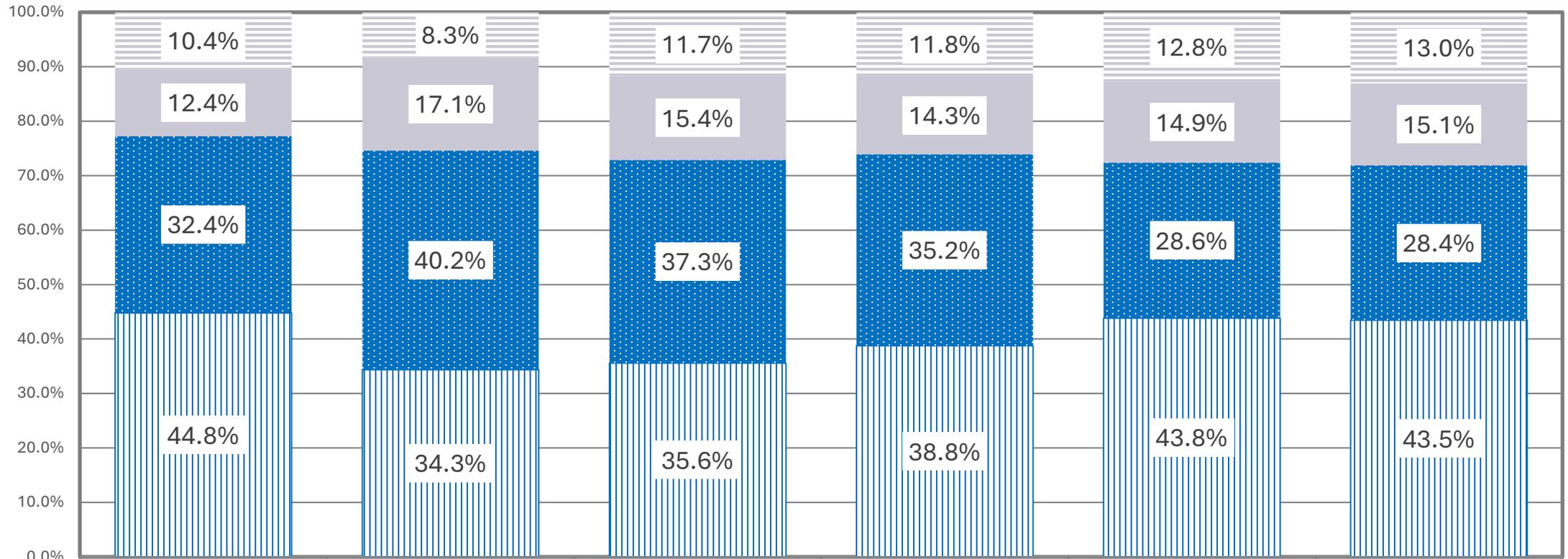
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY
<b>FY2025</b>	\$74	\$75	\$65	\$57	\$57	\$59	\$83	\$74	\$69	\$78	\$68	\$57	\$816
<b>FY2024</b>	\$80	\$78	\$63	\$61	\$60	\$60	\$83	\$73	\$69	\$80	\$62	\$59	\$828
<b>YOY % Ch</b>	-7.11%	-4.33%	3.12%	-7.78%	-5.26%	-1.97%	-0.04%	1.83%	0.84%	-2.17%	9.38%	-3.17%	-1.47%
<b>YTD % Ch</b>	-7.11%	-5.74%	-3.20%	-4.20%	-4.38%	-4.02%	-3.34%	-2.67%	-2.28%	-2.27%	-1.34%	-1.47%	



### TRANSIENT ACCOMMODATIONS TAX LIABILITY BY TAX DISTRICT (\$ Million)



### TRANSIENT ACCOMMODATIONS TAX LIABILITY COMPOSITION BY TAX DISTRICT

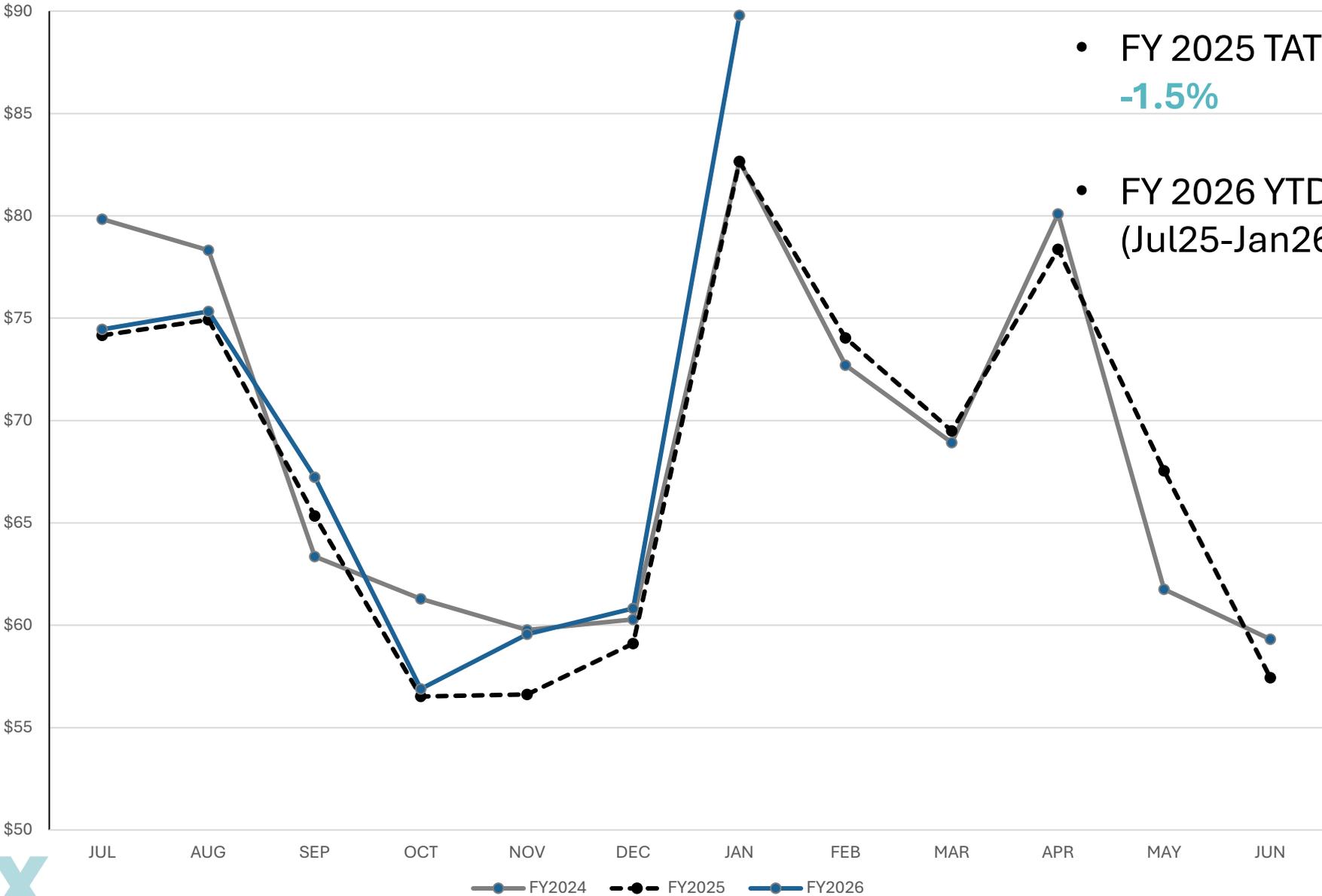


	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
KAUA'I	10.4%	8.3%	11.7%	11.8%	12.8%	13.0%
HAWAI'I	12.4%	17.1%	15.4%	14.3%	14.9%	15.1%
MAUI	32.4%	40.2%	37.3%	35.2%	28.6%	28.4%
O'AHU	44.8%	34.3%	35.6%	38.8%	43.8%	43.5%

O'AHU MAUI HAWAI'I KAUA'I



### Transient Accommodations Tax Collections (\$ Million)

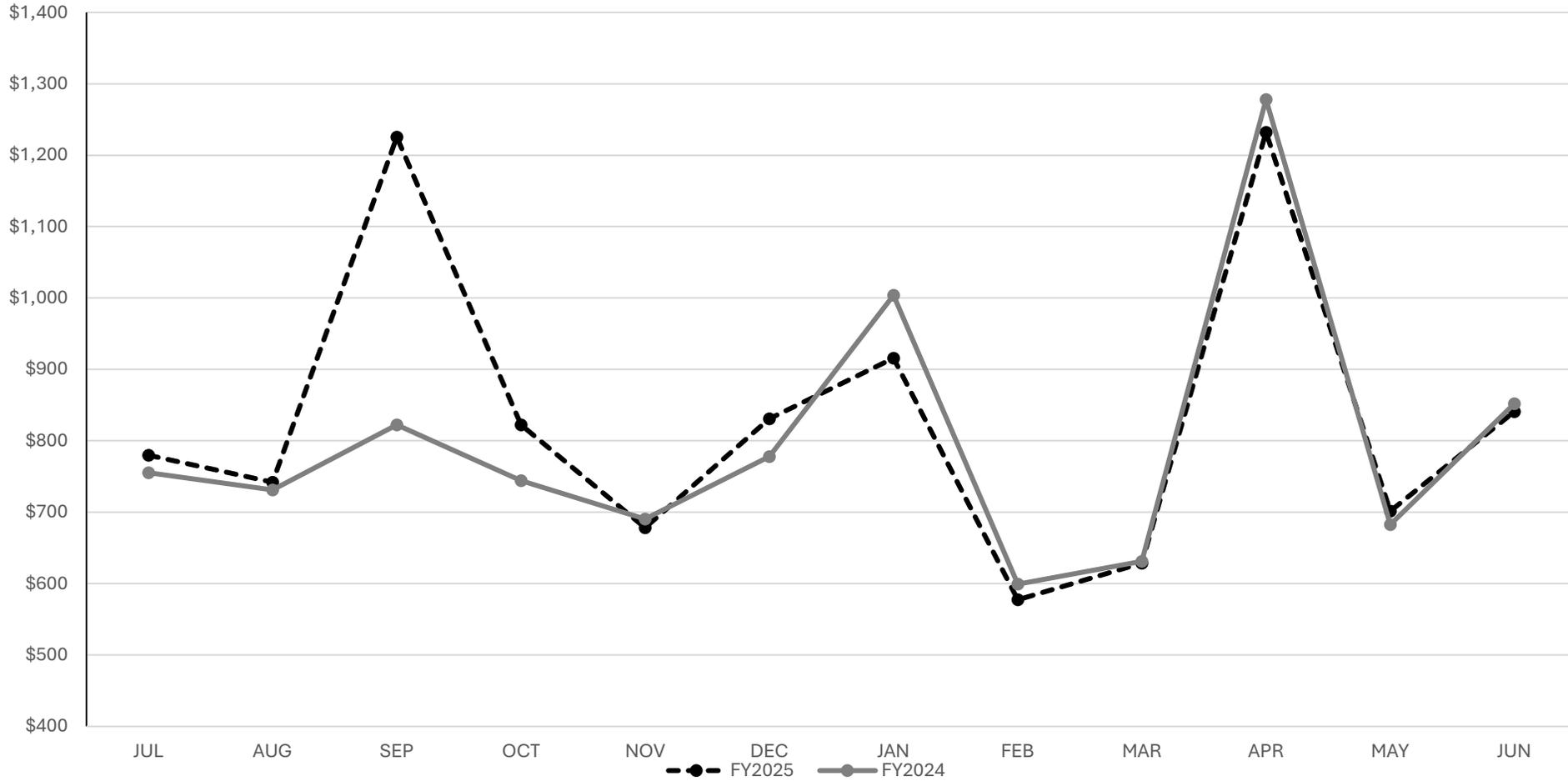


- FY 2025 TAT growth was **-1.5%**

- FY 2026 YTD growth (Jul25-Jan26) is **3.2%**

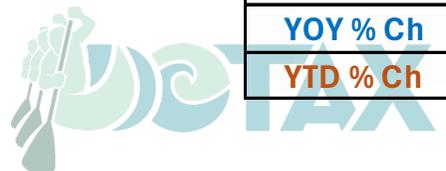


### General Fund (\$ Million)

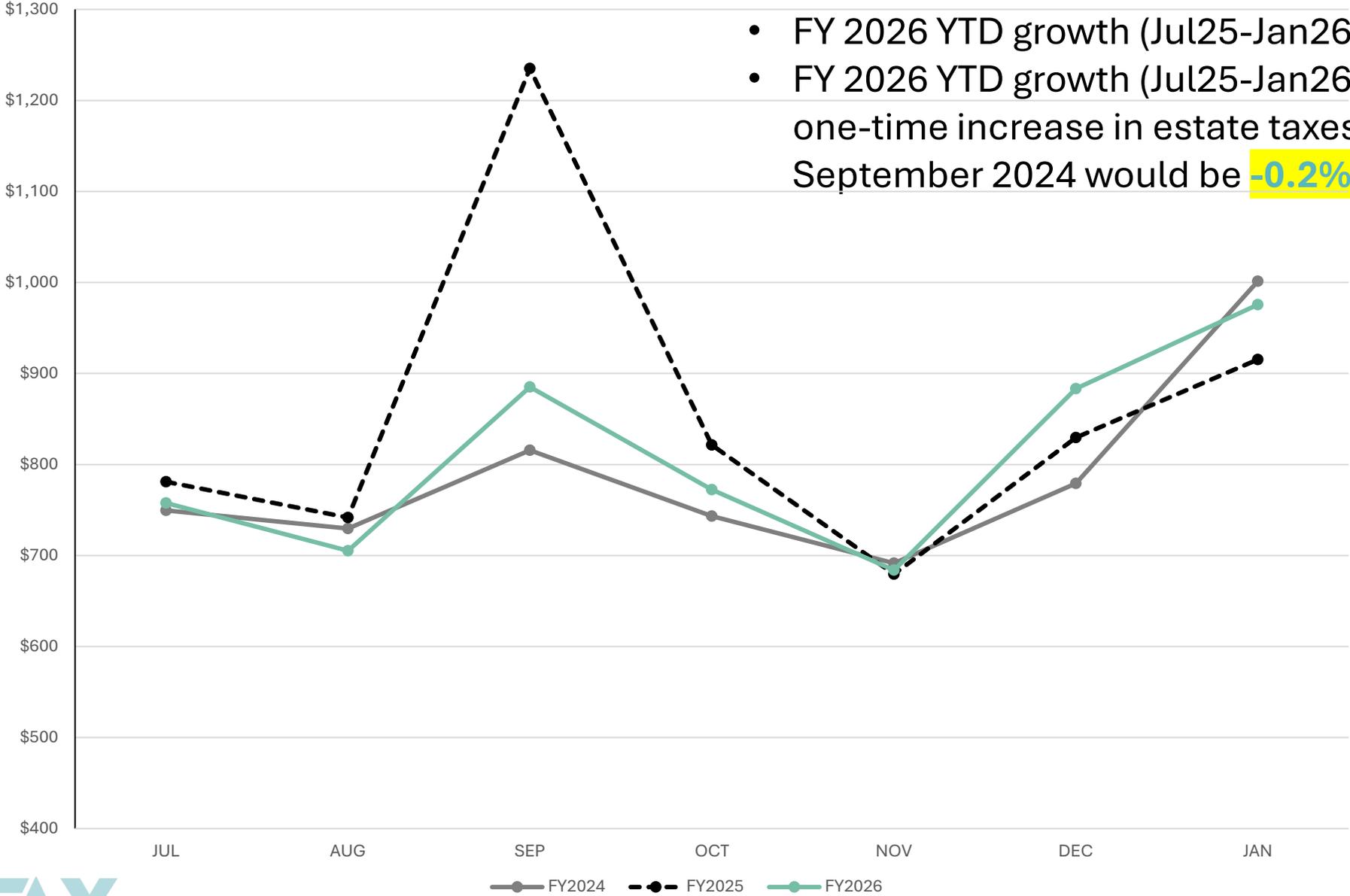


General Fund

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY
<b>FY2025</b>	\$780	\$742	\$1,225	\$822	\$678	\$831	\$916	\$577	\$628	\$1,232	\$702	\$841	\$9,974
<b>FY2024</b>	\$755	\$731	\$823	\$744	\$691	\$778	\$1,004	\$599	\$631	\$1,278	\$683	\$852	\$9,568
<b>YOY % Ch</b>	3.27%	1.48%	48.99%	10.48%	-1.82%	6.78%	-8.79%	-3.65%	-0.41%	-3.59%	2.79%	-1.33%	4.24%
<b>YTD % Ch</b>	3.27%	2.39%	18.99%	16.91%	13.46%	12.31%	8.48%	7.29%	6.57%	4.96%	4.79%	4.24%	



PRELIMINARY General Fund (\$ Million)

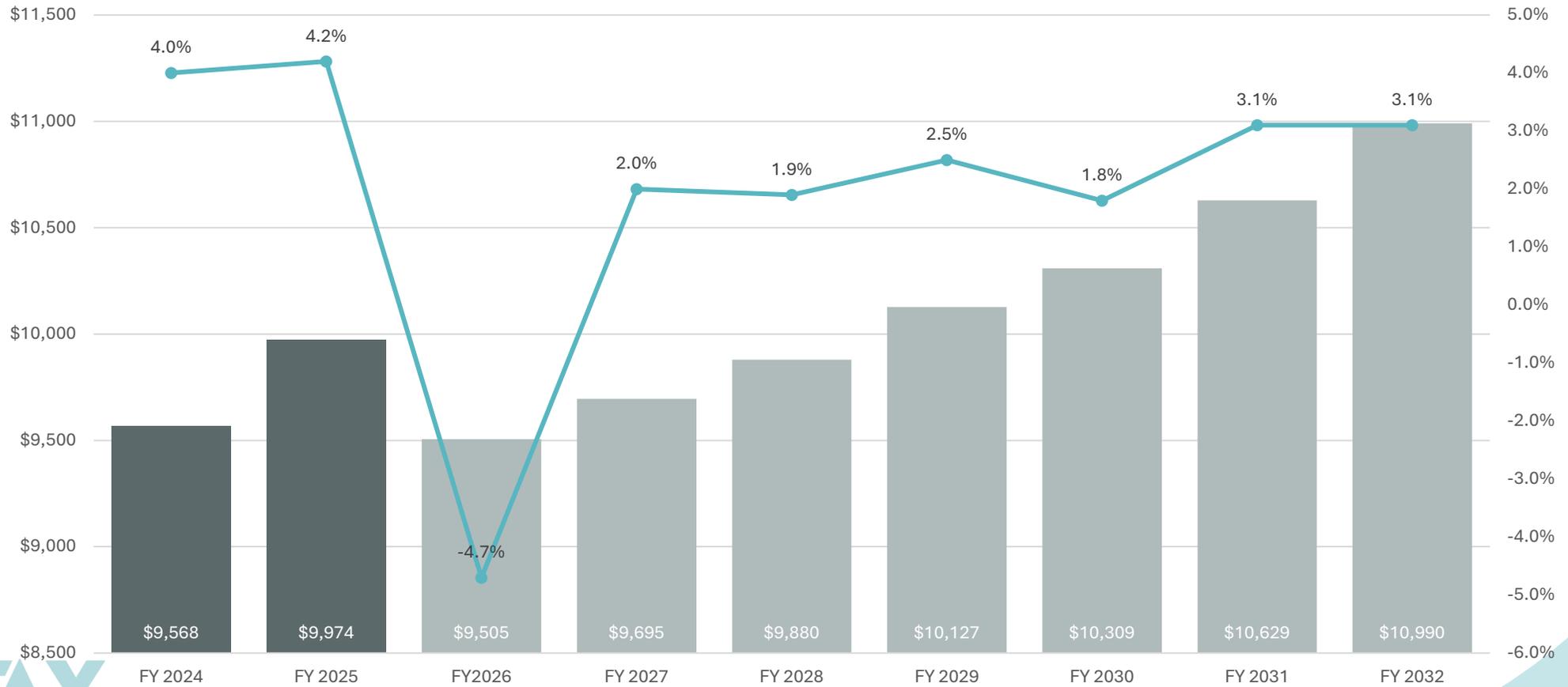


- FY 2026 YTD growth (Jul25-Jan26) is **-5.5%**
- FY 2026 YTD growth (Jul25-Jan26) removing the one-time increase in estate taxes in September 2024 would be **-0.2%**

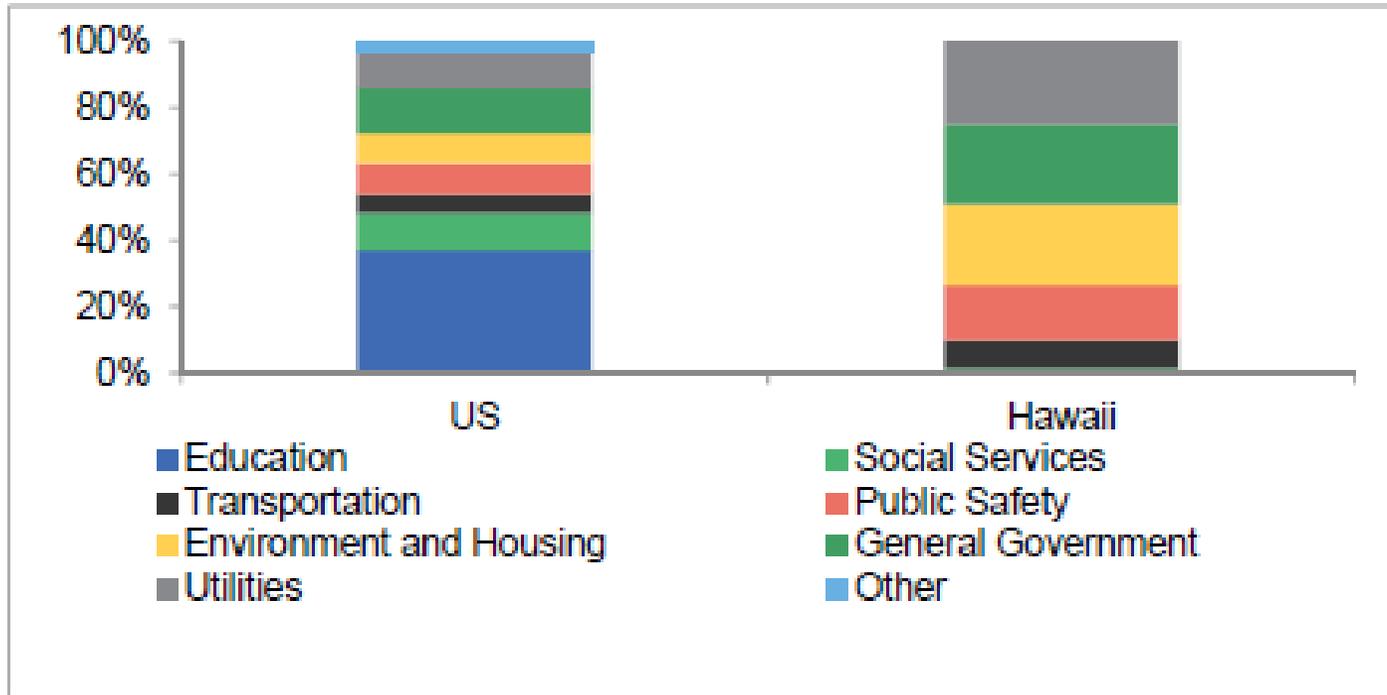


ACTUAL		COR FORECAST: AS OF JANUARY 2026						
FY 2024	FY 2025	FY2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
\$9,568	\$9,974	\$9,505	\$9,695	\$9,880	\$10,127	\$10,309	\$10,629	\$10,990
4.0%	4.2%	-4.7%	2.0%	1.9%	2.5%	1.8%	3.1%	3.1%

**GENERAL FUND REVENUE**  
 ACTUAL (FY 2024-FY 2025) AND FORECAST (FY 2026-FY2032)  
 (in \$1,000)



**Figure 14: U.S and Hawaii Local Government Spending by Function, 2014**



Source: US Census Bureau, 2014 Annual Surveys of State and Local Government Finances

**Table 10: Median Property Taxes and Taxes as a Percentage of Median Home Values**

	<b>U.S</b>	<b>Hawaii County</b>	<b>Honolulu County</b>	<b>Maui County</b>
Median Property Tax	\$2,424	\$1,019	\$1,658	\$970
% of Home Value	1.23%	0.32%	0.29%	0.19%

Source: 2011-2015 American Community Survey 5-Year Estimates



# Mahalo nui loa

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