

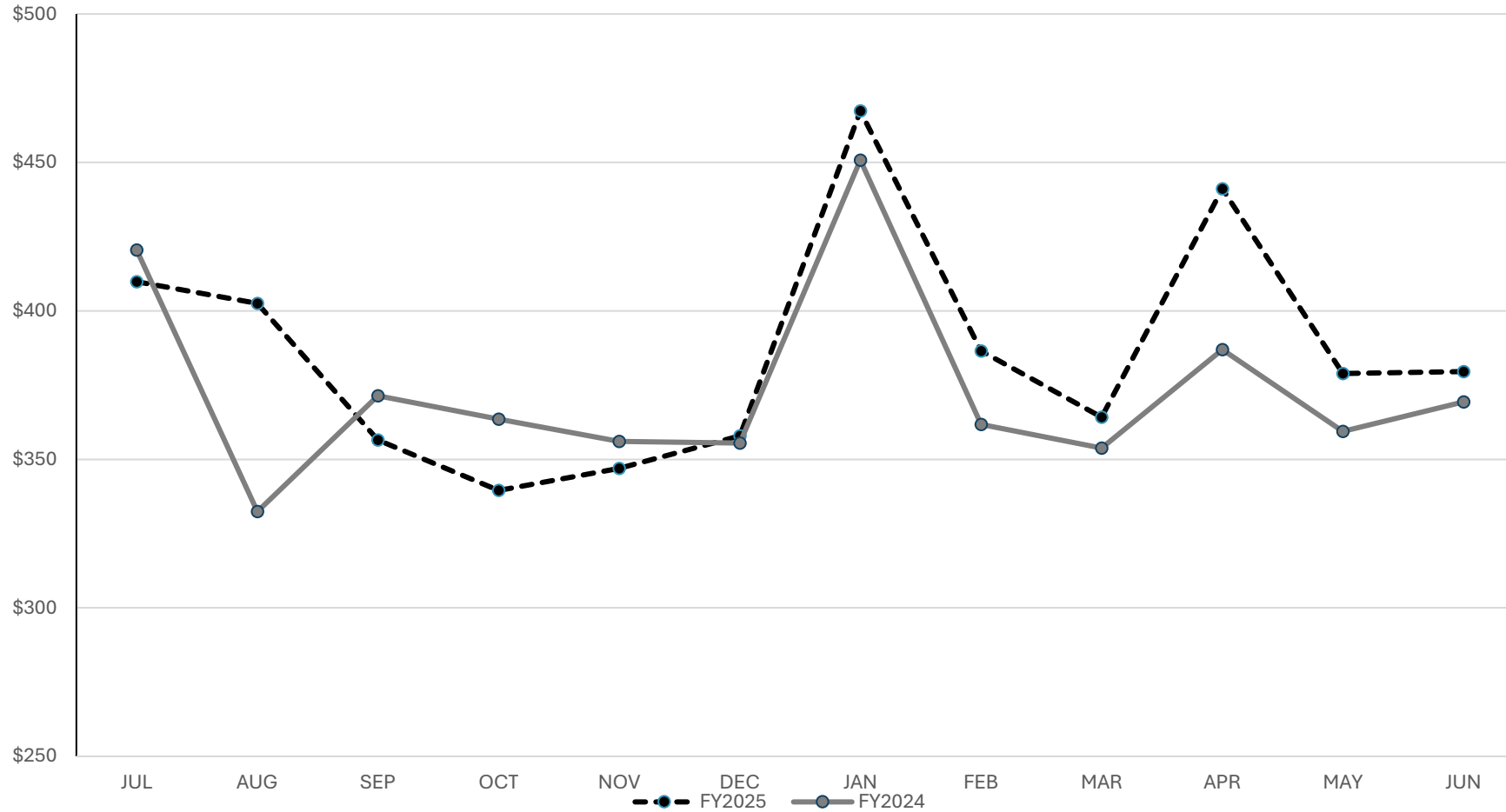
PRESENTATION FOR COUNCIL ON REVENUES

General Fund Forecast Meeting
September 4, 2025

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Acting Tax Research & Planning Officer
Hawai'i Department of Taxation (DOTAX)



General Excise & Use Tax Collections (\$ Million)



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

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

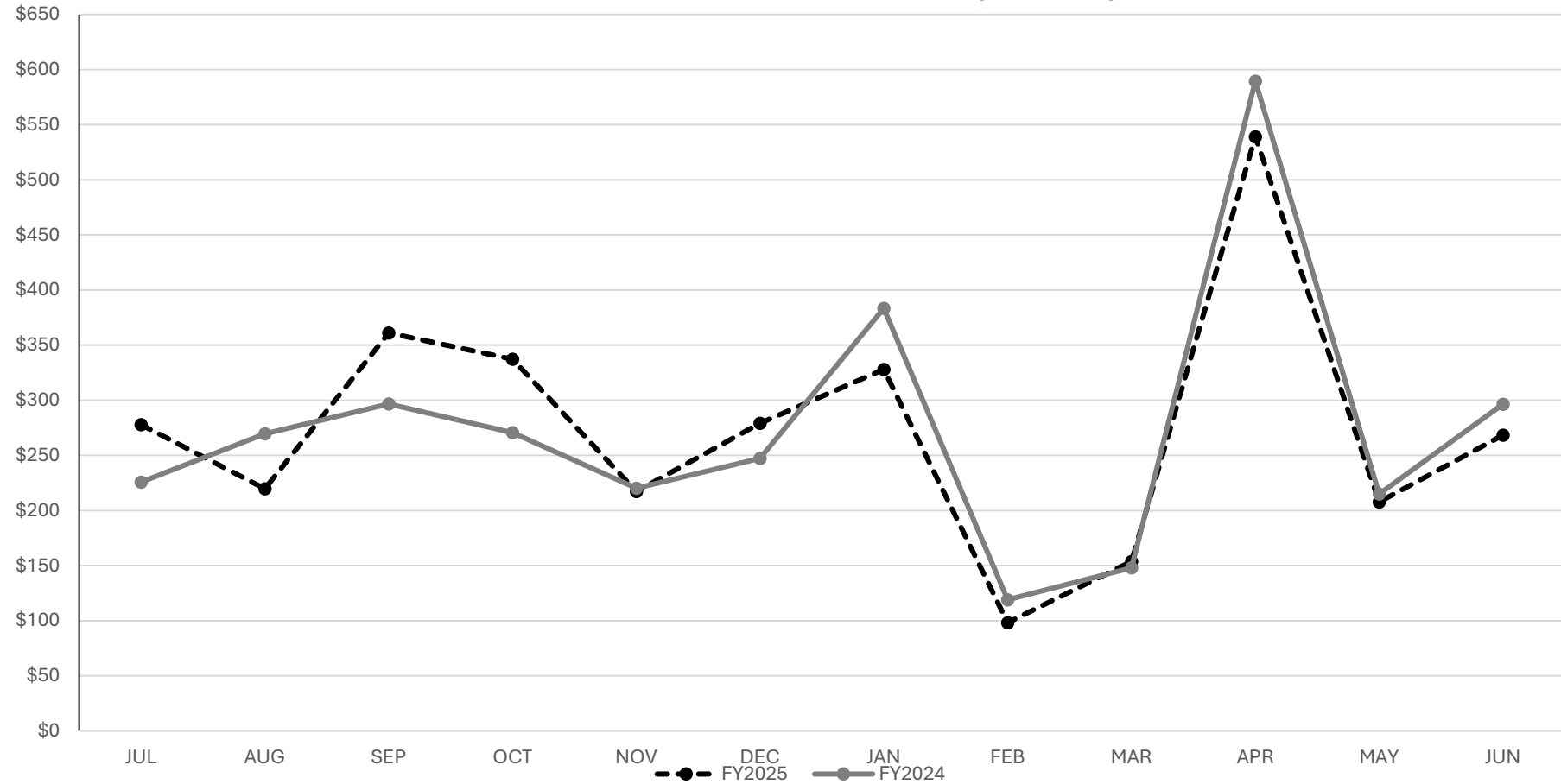
Estimates of General Fund Tax Revenue Gain or (Loss)

(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	Individual Income Tax Cut. 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	GET Exemption. 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)
Total		(\$240.3)	(\$630.2)	(\$817.6)	(\$1,003.7)	(\$1,137.1)	(\$1,350.5)	(\$1,439.6)



Individual Income Tax Collections (\$ Million)

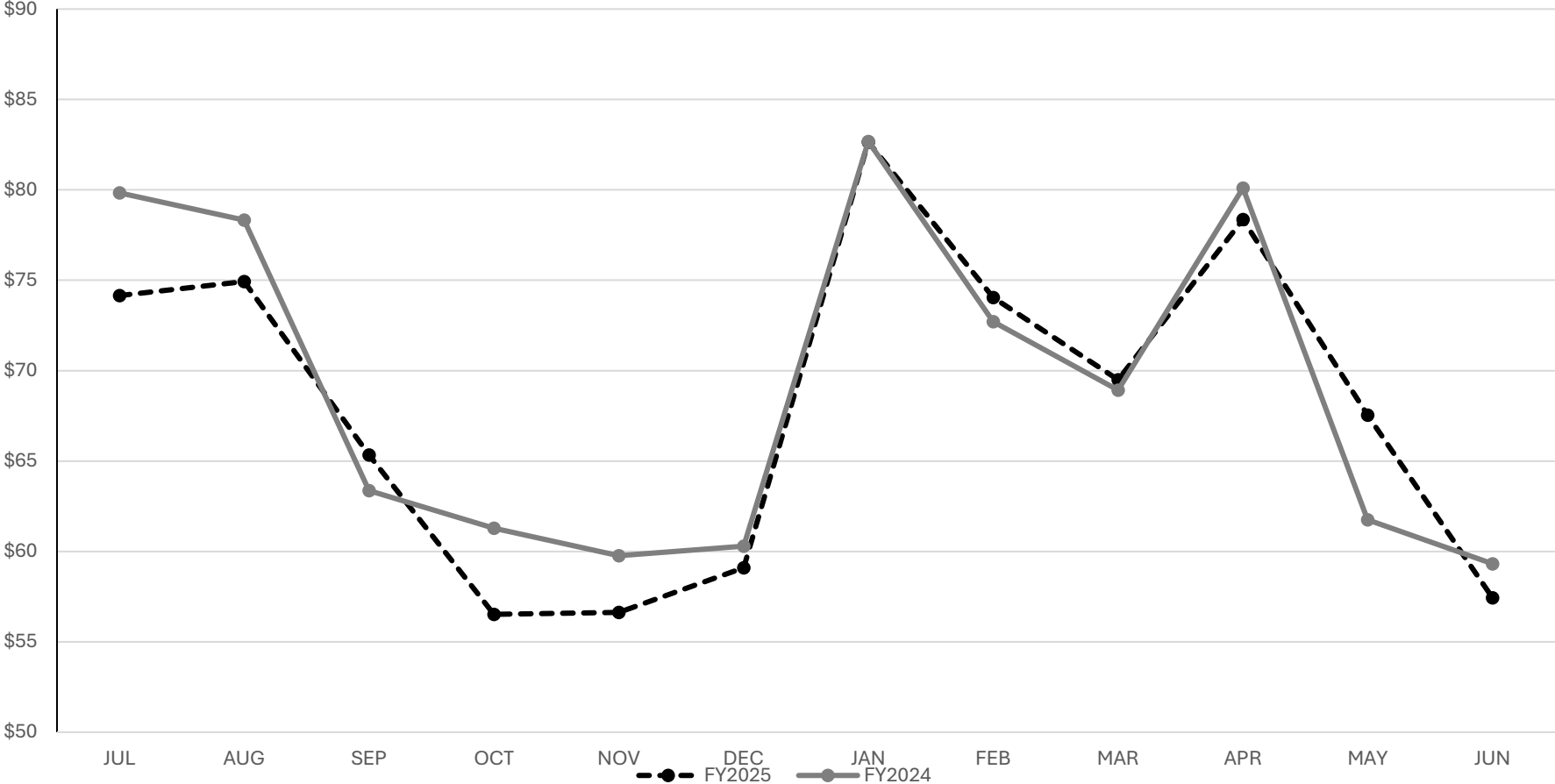


Individual Income Tax Collections

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY
FY2025	\$278	\$220	\$361	\$337	\$217	\$279	\$328	\$98	\$154	\$539	\$208	\$268	\$3,288
FY2024	\$226	\$270	\$297	\$271	\$220	\$247	\$383	\$119	\$148	\$589	\$215	\$296	\$3,282
YOY % Ch	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%
YTD % Ch	23.09%	0.46%	8.41%	12.55%	10.16%	10.60%	5.59%	4.24%	4.22%	1.50%	1.16%	0.20%	



Transient Accommodations Tax Collections (\$ Million)

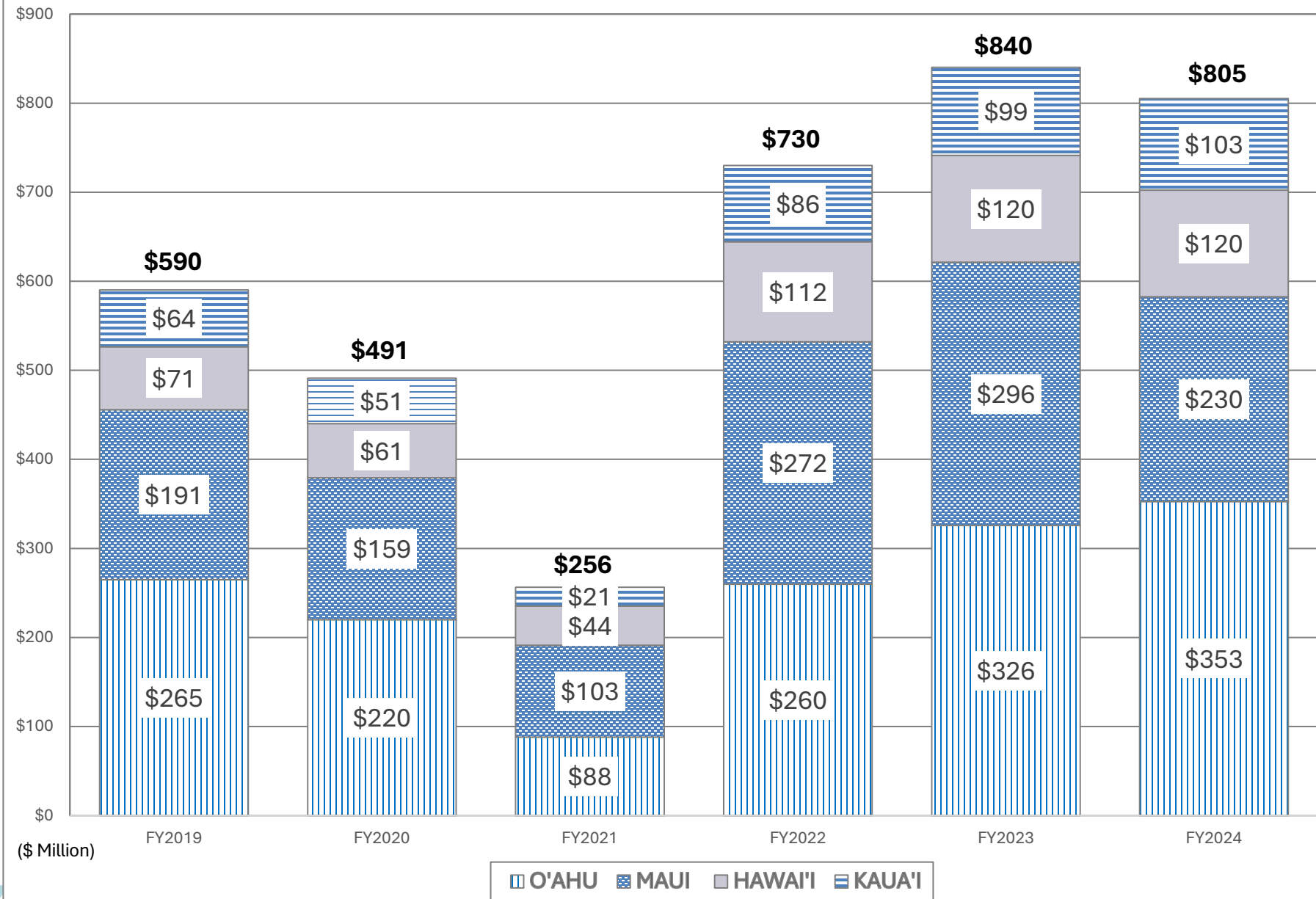


Transient Accommodations Tax Collections

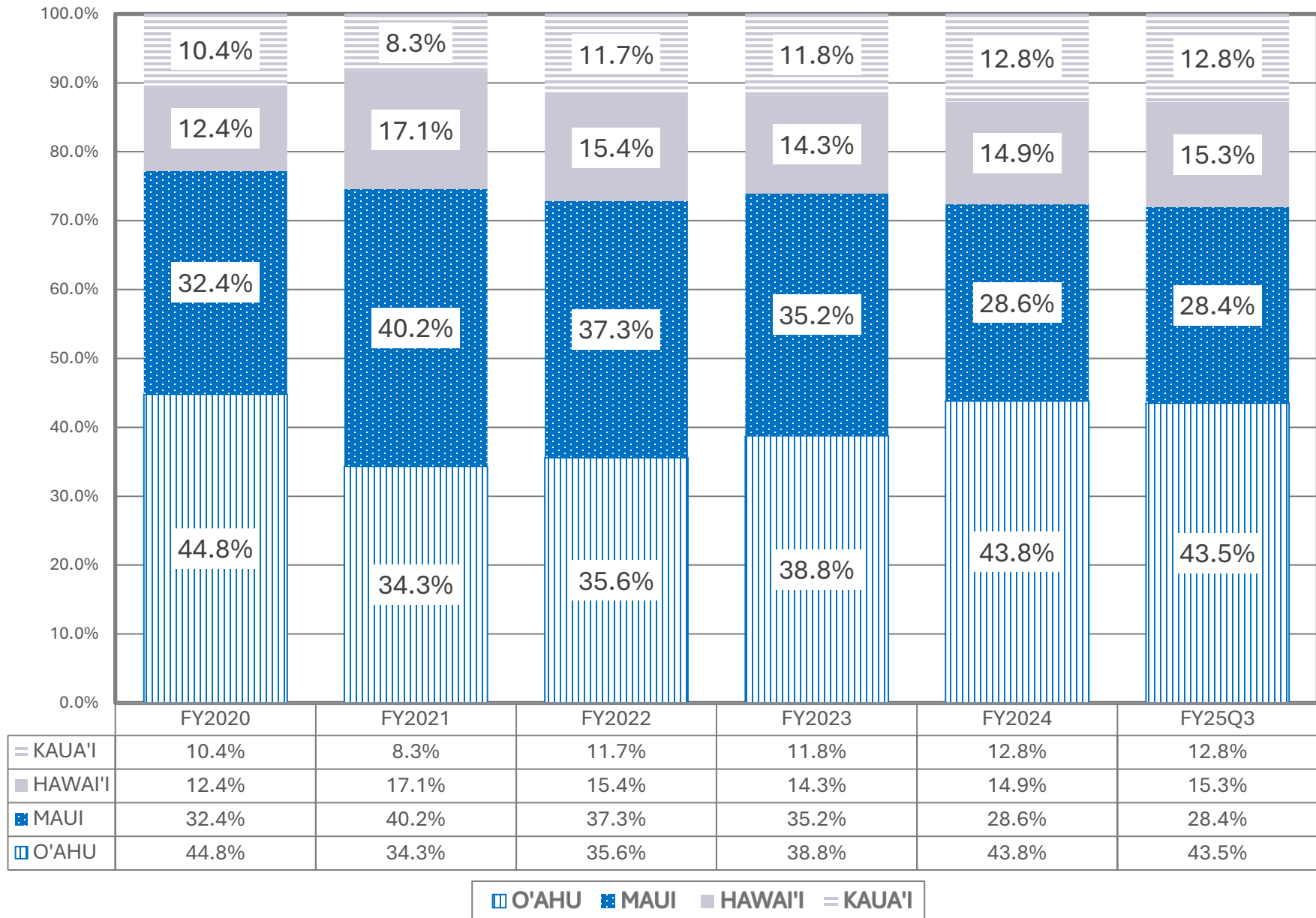
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY
FY2025	\$74	\$75	\$65	\$57	\$57	\$59	\$83	\$74	\$69	\$78	\$68	\$57	\$816
FY2024	\$80	\$78	\$63	\$61	\$60	\$60	\$83	\$73	\$69	\$80	\$62	\$59	\$828
YOY % Ch	-7.11%	-4.33%	3.12%	-7.78%	-5.26%	-1.97%	-0.04%	1.83%	0.84%	-2.17%	9.38%	-3.17%	-1.47%
YTD % Ch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



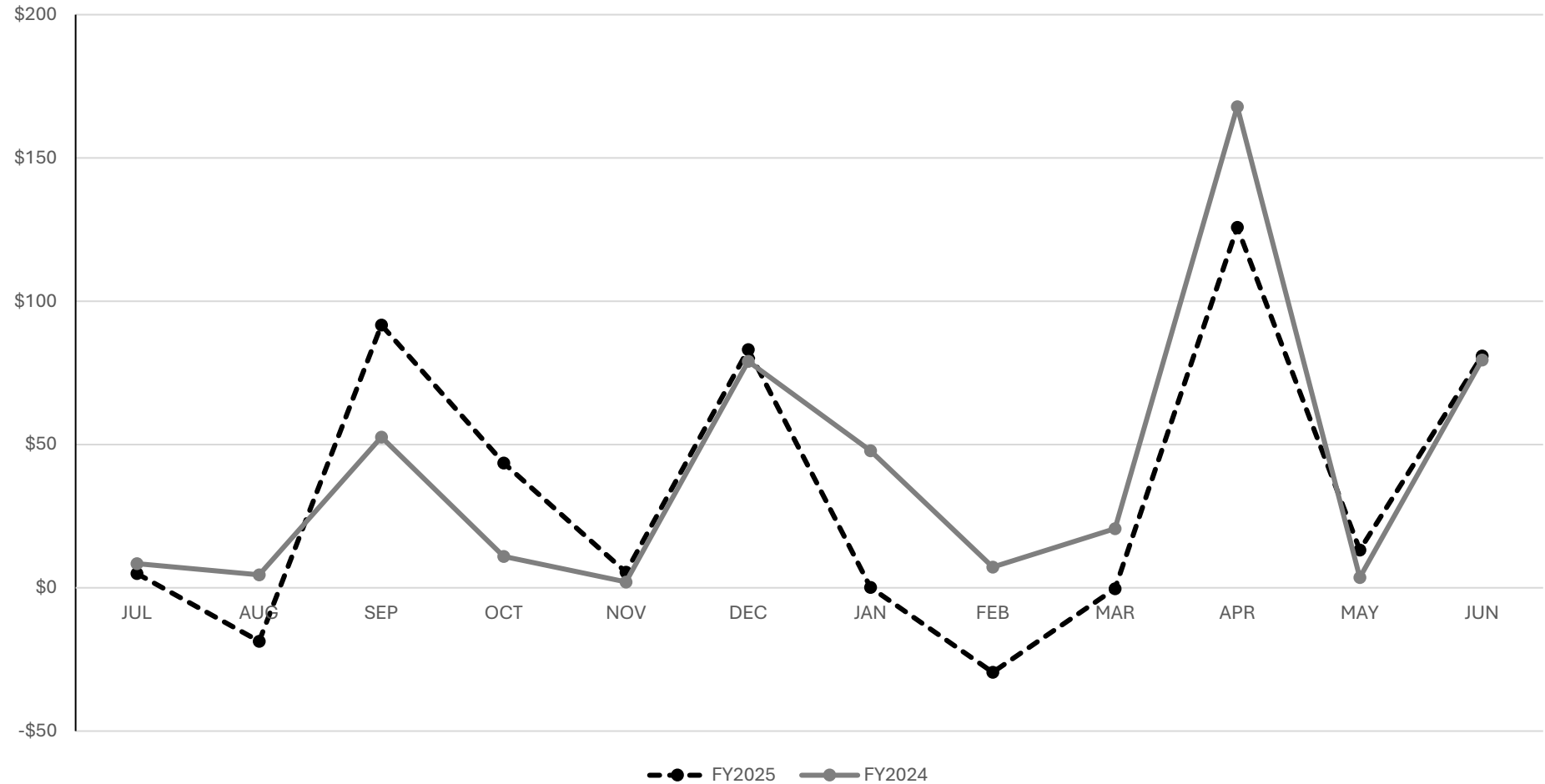
TRANSIENT ACCOMMODATIONS TAX LIABILITY BY TAX DISTRICT (\$ Million)



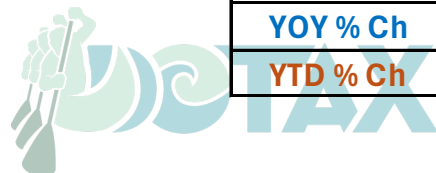
TRANSIENT ACCOMMODATIONS TAX LIABILITY COMPOSITION BY TAX DISTRICT



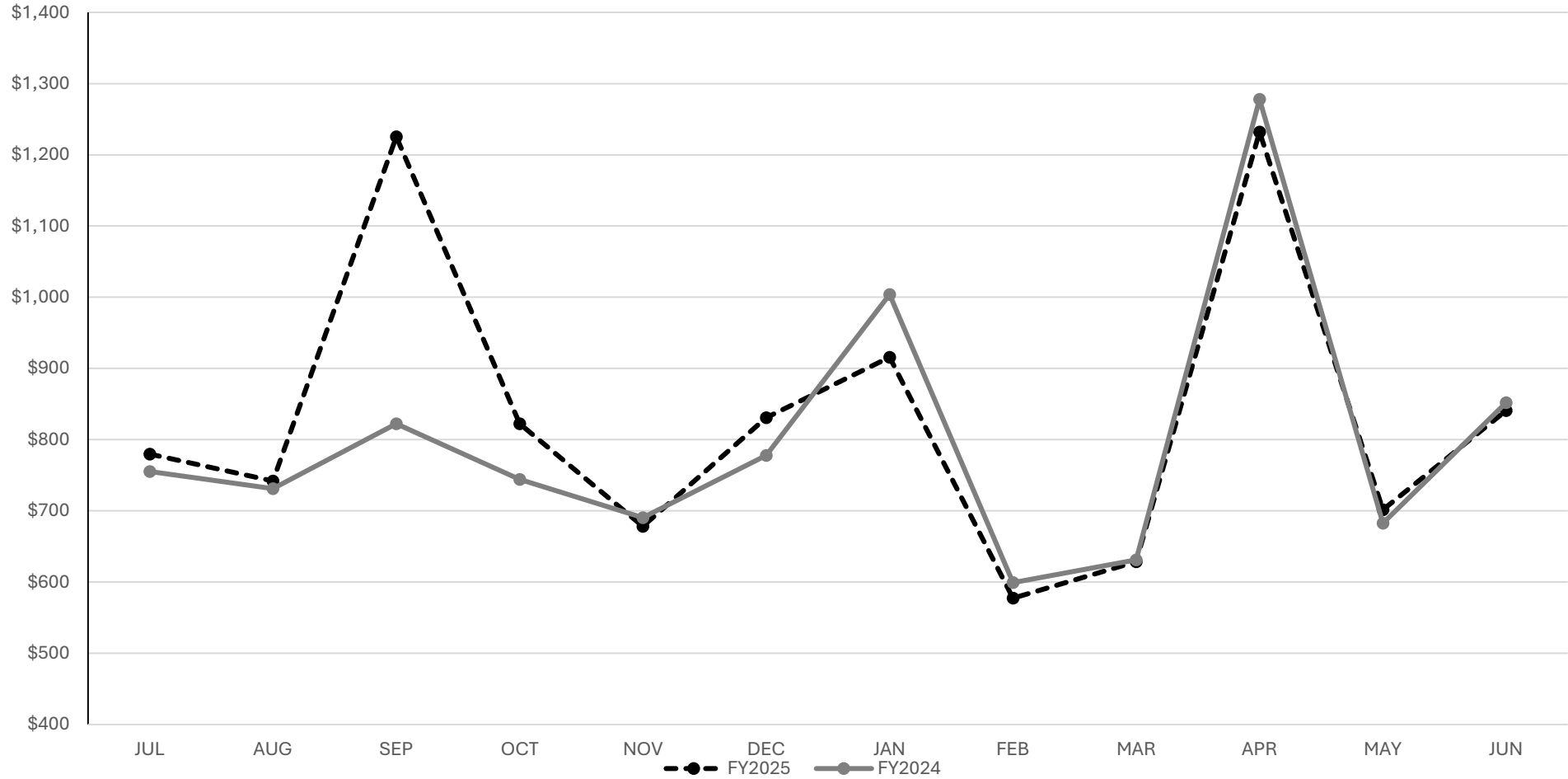
Corporate Income Tax Collections (\$ Million)



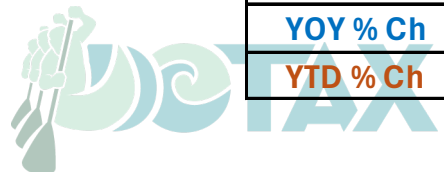
Corporate Income Tax Collections													
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY
FY2025	\$5	-\$19	\$92	\$44	\$5	\$83	\$0	-\$29	\$0	\$126	\$13	\$81	\$400
FY2024	\$8	\$5	\$53	\$11	\$2	\$79	\$48	\$7	\$21	\$168	\$4	\$80	\$484
YOY % Ch	-40.82%	-515.08%	74.48%	298.70%	164.32%	5.16%	-99.59%	-507.35%	-101.61%	-25.10%	269.04%	1.76%	-17.34%
YTD % Ch	-40.82%	-205.45%	19.03%	58.99%	61.75%	33.35%	2.37%	-14.99%	-22.66%	-23.68%	-21.09%	-17.34%	



General Fund (\$ Million)



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY
FY2025	\$780	\$742	\$1,225	\$822	\$678	\$831	\$916	\$577	\$628	\$1,232	\$702	\$841	\$9,974
FY2024	\$755	\$731	\$823	\$744	\$691	\$778	\$1,004	\$599	\$631	\$1,278	\$683	\$852	\$9,568
YOY % Ch	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%
YTD % Ch	3.27%	2.39%	18.99%	16.91%	13.46%	12.31%	8.48%	7.29%	6.57%	4.96%	4.79%	4.24%	



ESTIMATES OF GENERAL FUND TAX REVENUE FROM THE MEETING OF MAY 21, 2025: FY 2025 TO FY 2031

Line item projections generated by Tax Research & Planning Office to be consistent with the Council's forecast for the total General Fund tax revenues
(in millions of dollars)

TYPE OF TAX	BASE		ESTIMATED						
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
General Excise and Use Tax	\$4,408	\$4,446	\$4,595	\$4,767	\$4,787	\$4,799	\$4,811	\$4,799	\$4,781
Individual Income Tax	3,100	3,280	3,595	3,024	3,063	3,139	3,334	3,471	3,701
Corporate Income Tax	317	484	375	413	436	451	462	474	484
Public Service Company Tax	142	159	168	177	186	194	202	211	221
Tax on Insurance Premiums	204	211	243	234	245	259	276	295	312
Cigarette and Tobacco Tax	59	59	43	39	21	17	2	1	(1)
Liquor Tax	55	52	50	49	47	46	45	43	42
Tax on Banks and Other Financial Corps.	29	29	32	32	32	32	32	32	32
Inheritance and Estate Tax	58	56	57	59	60	61	63	64	65
Conveyance Tax	49	54	61	69	68	75	84	95	105
Miscellaneous Taxes*	23	23	23	22	22	22	22	22	22
Transient Accommodations Tax	757	715	749	755	770	786	805	823	887
GENERAL FUND TOTAL	\$9,200	\$9,568	\$9,989	\$9,640	\$9,736	\$9,882	\$10,139	\$10,332	\$10,652
GROWTH RATE	-1.7%	4.0%	4.4%	-3.5%	1.0%	1.5%	2.6%	1.9%	3.1%

* The figures on this line include penalty and interest charges, fees and license charges from various taxes, and allocations to the General Fund from the environmental response, energy and food security tax.

May 21, 2025



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

Estimates of General Fund Tax Revenue Gain or (Loss)

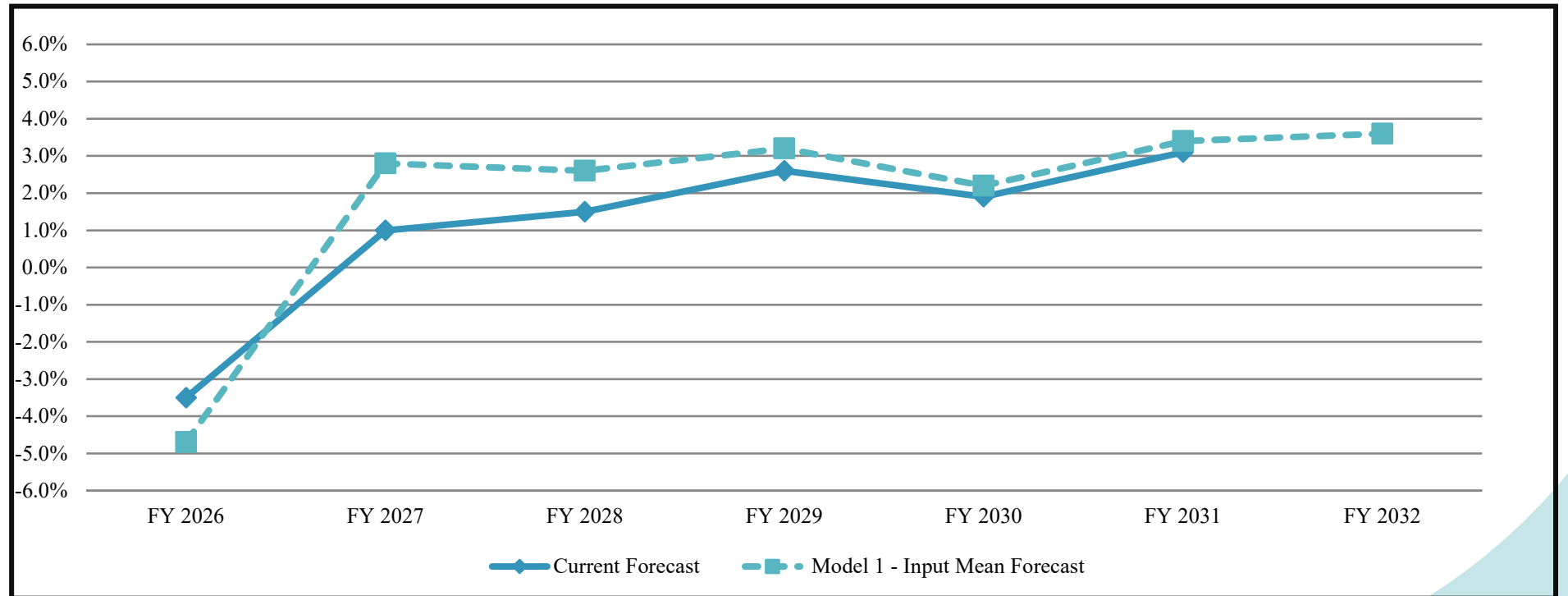
(Dollar amounts are in \$ millions)

Act Number	Description							
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Act 58, SLH 2025	Pass-Through Entity (PTE) Tax Add-Back 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	Transient Accommodations Tax Increase and Imposition on Cruise Ships Increases TAT from 10.25% to 11% and imposes the TAT on gross rental proceeds derived from cruise fares. Effective on January 1, 2026 for TY 2026-TY 2030.	\$43.3	\$89.6	\$90.4	\$91.2	\$90.9	\$89.6	\$91.8
Total		\$72.6	\$120.4	\$122.8	\$125.2	\$126.6	\$127.1	\$131.2



SUMMARY TABLE
ESTIMATES OF GENERAL FUND TAX REVENUES: FY 2026 to FY 2032
 Amount (\$Million) and Growth Rate (%)

	BASE		ESTIMATE						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
CURRENT FORECAST as of May 21, 2025	\$9,568 4.0%	\$9,974 4.2%	\$9,640 -3.5%	\$9,736 1.0%	\$9,882 1.5%	\$10,139 2.6%	\$10,332 1.9%	\$10,651.99 3.1%	n/a n/a
MODEL 1 - INPUT MEAN FORECAST	\$9,568 4.0%	\$9,974 4.2%	\$9,862 -4.7%	\$9,963 2.8%	\$10,217 2.6%	\$10,482 3.2%	\$10,794 2.2%	\$11,027 3.4%	\$11,445 3.6%



ESTIMATES OF GENERAL FUND TAX REVENUE BEFORE AND AFTER ADJUSTMENTS FOR CHANGES IN TAX LAWS: FY 2026 to FY 2032

TYPE OF TAX	BASE		ESTIMATED						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
General Excise and Use Tax	\$4,446,125	\$4,562,002	\$4,663,947	\$4,673,656	\$4,722,681	\$4,777,995	\$4,828,141	\$4,867,461	\$4,907,438
Individual Income Tax	3,280,416	3,288,541	3,288,093	3,616,249	3,933,291	4,261,368	4,592,425	4,936,640	5,308,034
Corporate Income Tax	483,676	400,097	400,384	408,269	420,766	431,193	441,710	450,921	458,567
Public Service Company Tax	159,222	154,478	154,478	163,357	171,915	180,811	189,862	199,325	209,302
Tax on Insurance Premiums	211,352	218,833	220,533	235,988	249,866	263,611	277,037	290,719	305,123
Cigarette and Tobacco Tax 1/	58,789	79,887	52,550	47,517	41,414	32,557	23,599	13,293	5,950
Liquor Tax	51,602	50,149	50,149	51,275	52,288	53,314	54,259	55,177	56,124
Tax on Banks and Other Financial Corps.	28,912	10,296	10,596	14,808	18,778	19,800	20,668	21,697	22,615
Inheritance and Estate Tax	55,794	405,766	405,766	416,762	427,057	437,477	447,801	458,324	469,141
Conveyance Tax 1/	54,311	52,945	58,248	67,804	76,602	84,912	93,192	101,502	110,168
Miscellaneous Taxes 2/	672	1,090	1,188	1,233	1,276	1,321	1,365	1,411	1,458
Transient Accommodations Tax	810,642	804,869	832,344	852,986	875,164	896,956	917,765	939,241	939,241
UNADJUSTED TOTAL	\$9,641,513	\$10,028,951	\$10,138,276	\$10,549,904	\$10,991,098	\$11,441,315	\$11,887,824	\$12,335,711	\$12,793,161
GROWTH RATE	2.3%	4.0%	1.1%	4.1%	4.2%	4.1%	3.9%	3.8%	3.7%
ADJUSTMENTS									
Miscellaneous Tax adjustments 5/	21,968	39,468	21,968	21,968	21,968	21,968	21,968	21,968	21,968
Transient Accommodations Tax adjustments 1/	(95,168)	(94,258)	(96,704)	(98,718)	(100,882)	(103,008)	(105,038)	(107,133)	(61,317)
TOTAL SPECIAL FUND ALLOCATION	(73,200)	(54,790)	10,063,540	10,473,154	10,912,184	11,360,275	11,804,754	12,250,546	12,753,812
			0.9%	4.1%	4.2%	4.1%	3.9%	3.8%	4.1%
General Excise Tax adjustments 3/			(33,551)	(77,484)	(80,963)	(84,525)	(88,219)	(92,074)	(96,098)
Individual Income Tax adjustments 4/			(596,600)	(740,100)	(922,700)	(1,052,600)	(1,262,300)	(1,347,500)	(1,453,218)
TOTAL REVENUE IMPACT - 2024 LEGISLATURE			(630,151)	(817,584)	(1,003,663)	(1,137,125)	(1,350,519)	(1,439,574)	(1,549,316)
Transient Accommodations Tax adjustments			29,300	30,800	32,400	34,000	35,700	37,500	39,375
Individual Income Tax adjustments			43,300	89,600	90,400	91,200	90,900	89,600	91,800
TOTAL REVENUE IMPACT - 2025 LEGISLATURE			72,600	120,400	122,800	125,200	126,600	127,100	131,175
GENERAL FUND TOTAL	\$9,568,313	\$9,974,161	\$9,505,989	\$9,775,970	\$10,031,321	\$10,348,350	\$10,580,835	\$10,938,072	\$11,335,671
GROWTH RATE	4.0%	4.2%	-4.7%	2.8%	2.6%	3.2%	2.2%	3.4%	3.6%



Mahalo nui loa

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