

Council on Revenues DOTAX Presentation

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MAY 21, 2025

PRELIMINARY COMPARATIVE STATEMENT OF STATE GENERAL FUND TAX REVENUES

April 2025

(Dollars in Thousands)

| | CUMULATIVE TOTALS | | | DIFFERENCE | |
|---------------------------------|--------------------|--------------------|--------------------|------------------|-------------|
| | Apr 2025 | 2024-2025 | 2023-2024 | AMOUNT | %CHANGE |
| GE/Use Taxes | \$437,626 | \$3,846,408 | \$3,724,392 | 122,016 | 3.3% |
| Income Tax - Corp. | 125,735 | 306,091 | 400,660 | (94,569) | -23.6% |
| Decl. Est. Taxes | 109,914 | 440,396 | 418,415 | | |
| Payment w/returns | 18,568 | 65,155 | 54,939 | | |
| Refunds | (2,748) | (199,460) | (72,693) | | |
| Income Tax - Ind. | 539,036 | 2,809,935 | 2,769,332 | 40,603 | 1.5% |
| Decl. Est. Taxes | 293,820 | 833,267 | 800,570 | | |
| Payment w/returns | 196,418 | 386,299 | 360,053 | | |
| WH Tax on Wages | 228,910 | 2,368,125 | 2,329,411 | | |
| Refunds | (180,113) | (777,745) | (720,687) | | |
| Special Fund | 0 | (10) | (15) | | |
| Trans. Accom. Tax | 78,130 | 687,420 | 691,581 | (4,161) | -0.6% |
| Turtle Bay Conservation Fund | 0 | (1,500) | (1,500) | | |
| Convention Ctr. Enterprise Fund | 0 | (11,000) | (11,000) | | |
| Tourism Emergency Special Fund | 0 | 0 | 0 | | |
| Land & Development Fund | 0 | (3,000) | (3,000) | | |
| Mass Transit Fund | (7,439) | (66,725) | (67,876) | | |
| SUB-TOTAL | 70,691 | 605,195 | 608,205 | (3,010) | |
| All Others | 61,136 | 871,045 | 530,034 | 341,011 | 64.3% |
| Collected by DOTAX | 31,718 | 641,131 | 299,875 | | |
| Collected by Other Departments* | 29,418 | 229,914 | 230,159 | | |
| TOTAL GENERAL FUND | \$1,234,224 | \$8,438,674 | \$8,032,624 | \$406,050 | 5.1% |

Note: General Fund allocations are in bold print.

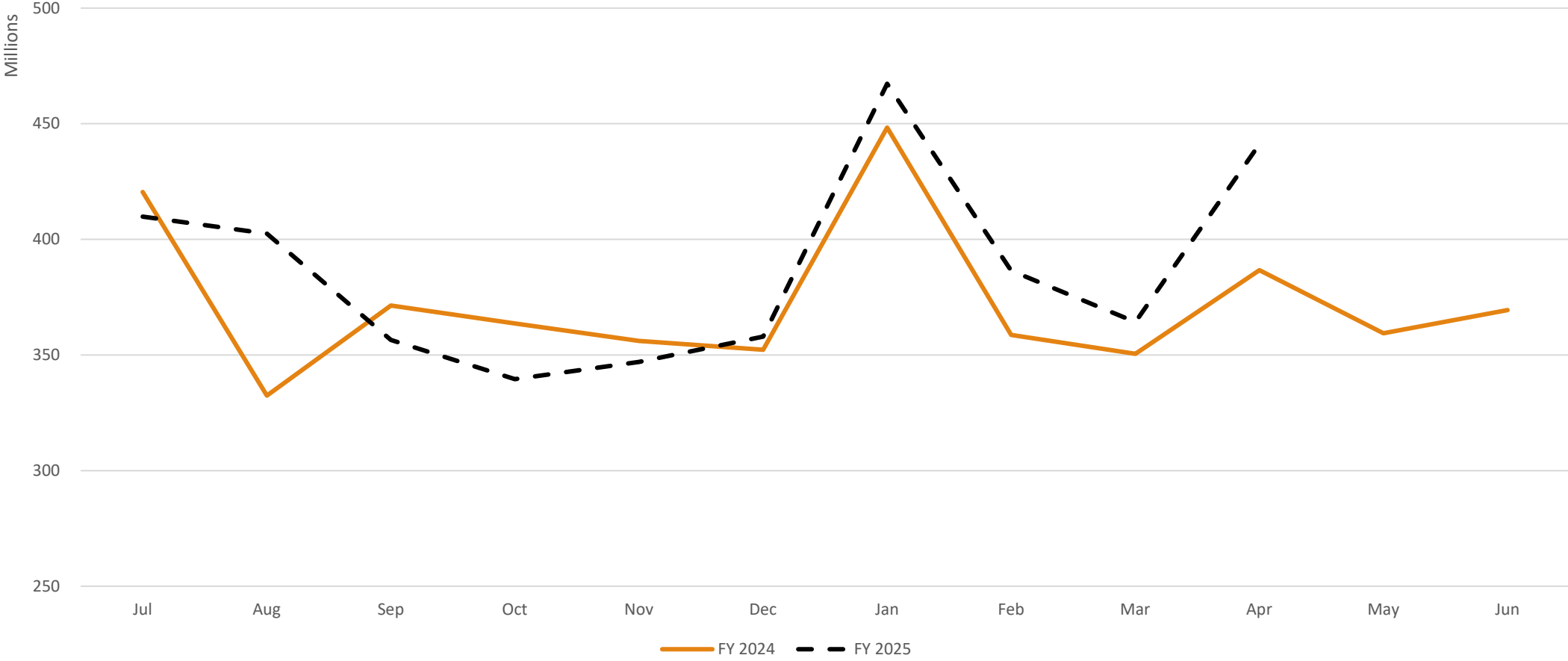
*Includes Conveyance Tax and Insurance Premium Tax.

ADJUSTED FOR ESTATE TAX GAIN

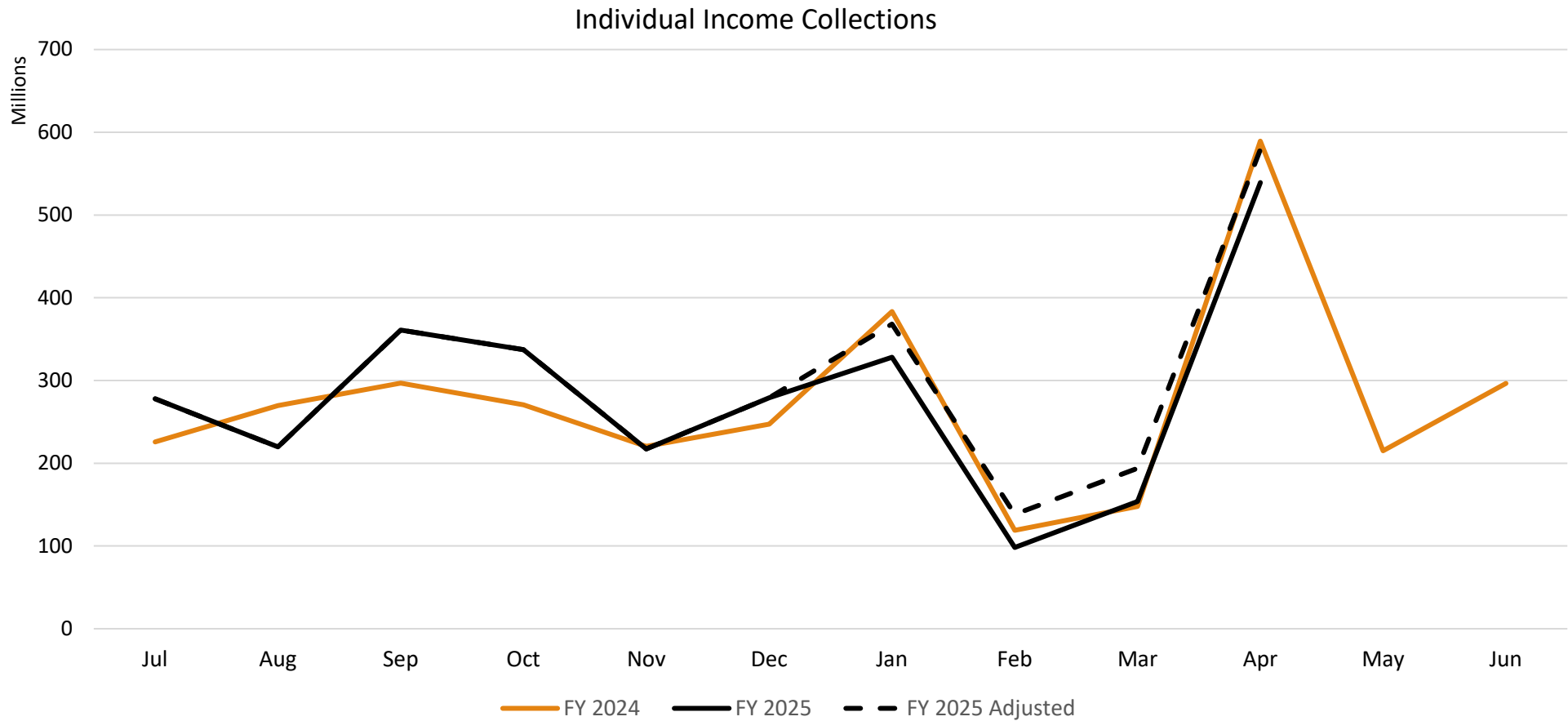
| ADJUSTMENT | 2024-2025 |
|------------------|-------------|
| AMOUNT | %CHANGE |
| 3,846,408 | 3.3% |
| 306,091 | -23.6% |
| 2,809,935 | 1.5% |
| 687,420 | -0.6% |
| (315,000) | 4.9% |
| (315,000) | 1.1% |

GET collections are improving relative to 2024

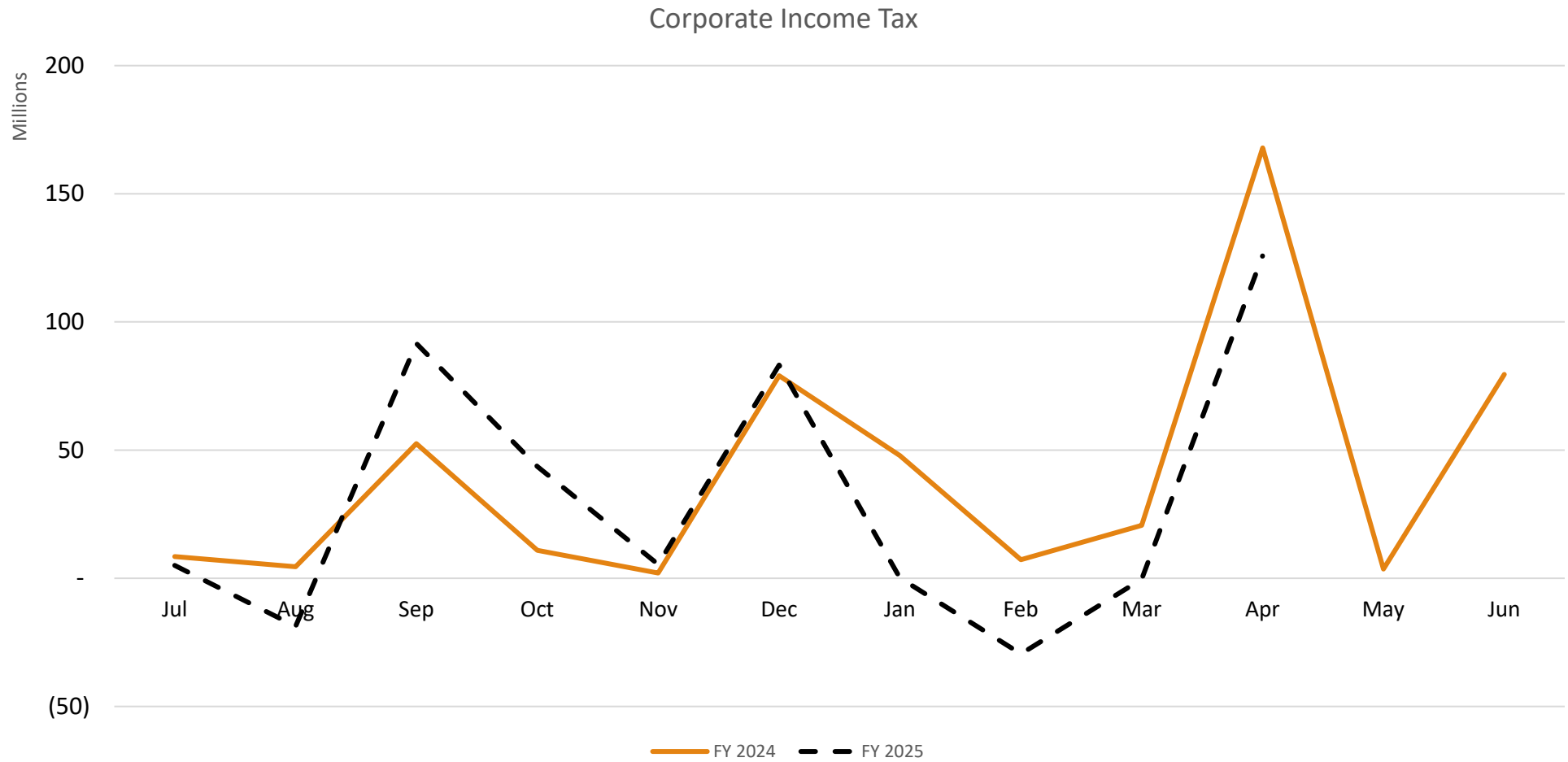
Monthly GET Revenues



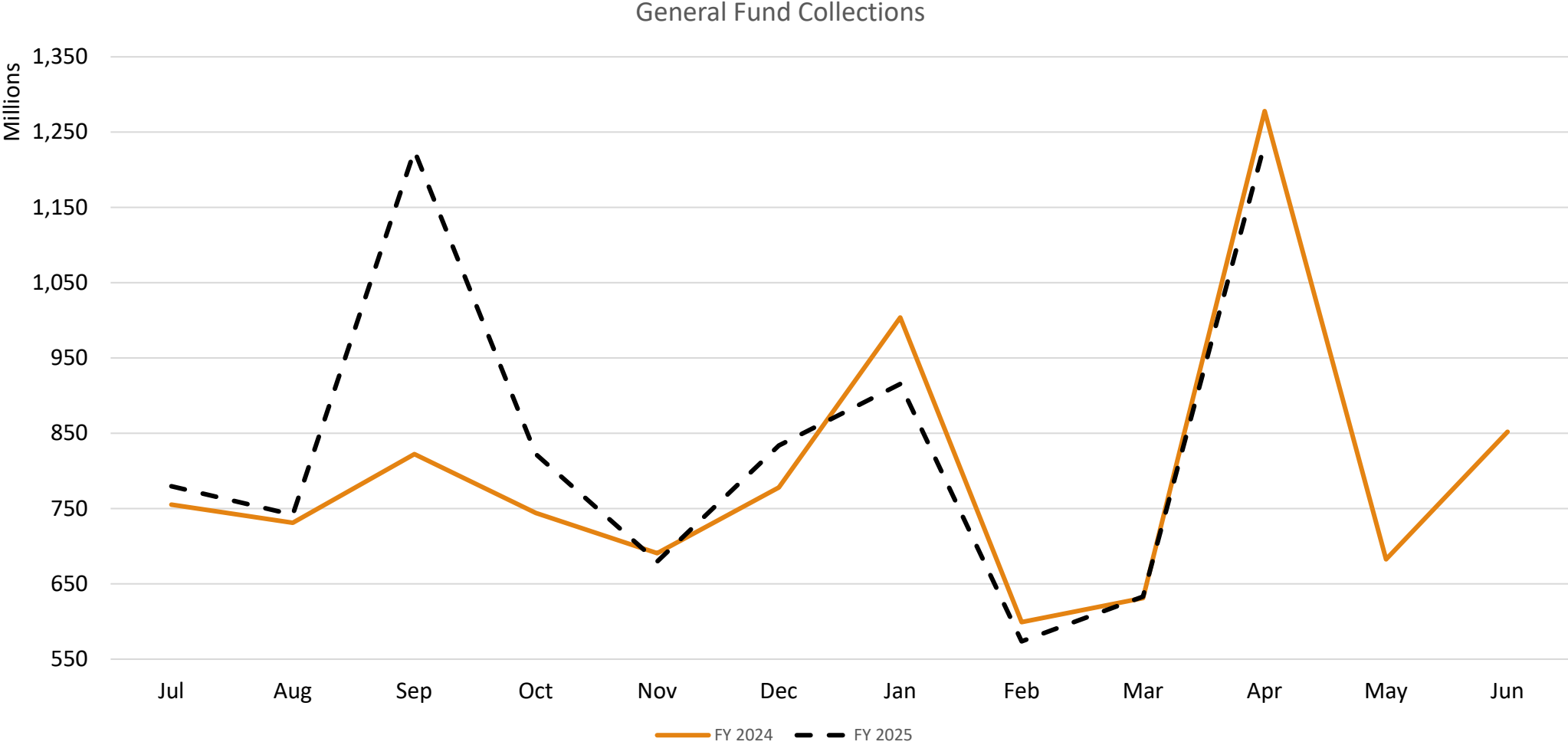
Tax cut bill and higher refunds are weighing on individual income taxes



Large corporate refunds are dragging down general fund revenues



General Fund collections saw a large spike in September



Potential General Fund Revenues for Fiscal Year 2025

| | July-April | May-June | Fiscal Year |
|---------|-----------------|---------------|---------------|
| FY24 | \$8,032,623,543 | 1,535,689,022 | 9,568,312,565 |
| FY25 | \$8,438,673,636 | ? | ? |
| %Growth | 5.1% | ? | ? |

| May- June | | Fiscal Year 2025 | |
|-----------|---------------|------------------|--------|
| Growth | Revenues | Revenues | Growth |
| -4.0% | 1,474,261,461 | 9,912,935,098 | 3.6% |
| -3.0% | 1,489,618,352 | 9,928,291,988 | 3.8% |
| -2.0% | 1,504,975,242 | 9,943,648,878 | 3.9% |
| -1.0% | 1,520,332,132 | 9,959,005,768 | 4.1% |
| 0.0% | 1,535,689,022 | 9,974,362,658 | 4.2% |
| 1.0% | 1,551,045,913 | 9,989,719,549 | 4.4% |
| 2.0% | 1,566,402,803 | 10,005,076,439 | 4.6% |
| 3.0% | 1,581,759,693 | 10,020,433,329 | 4.7% |
| 4.0% | 1,597,116,583 | 10,035,790,219 | 4.9% |

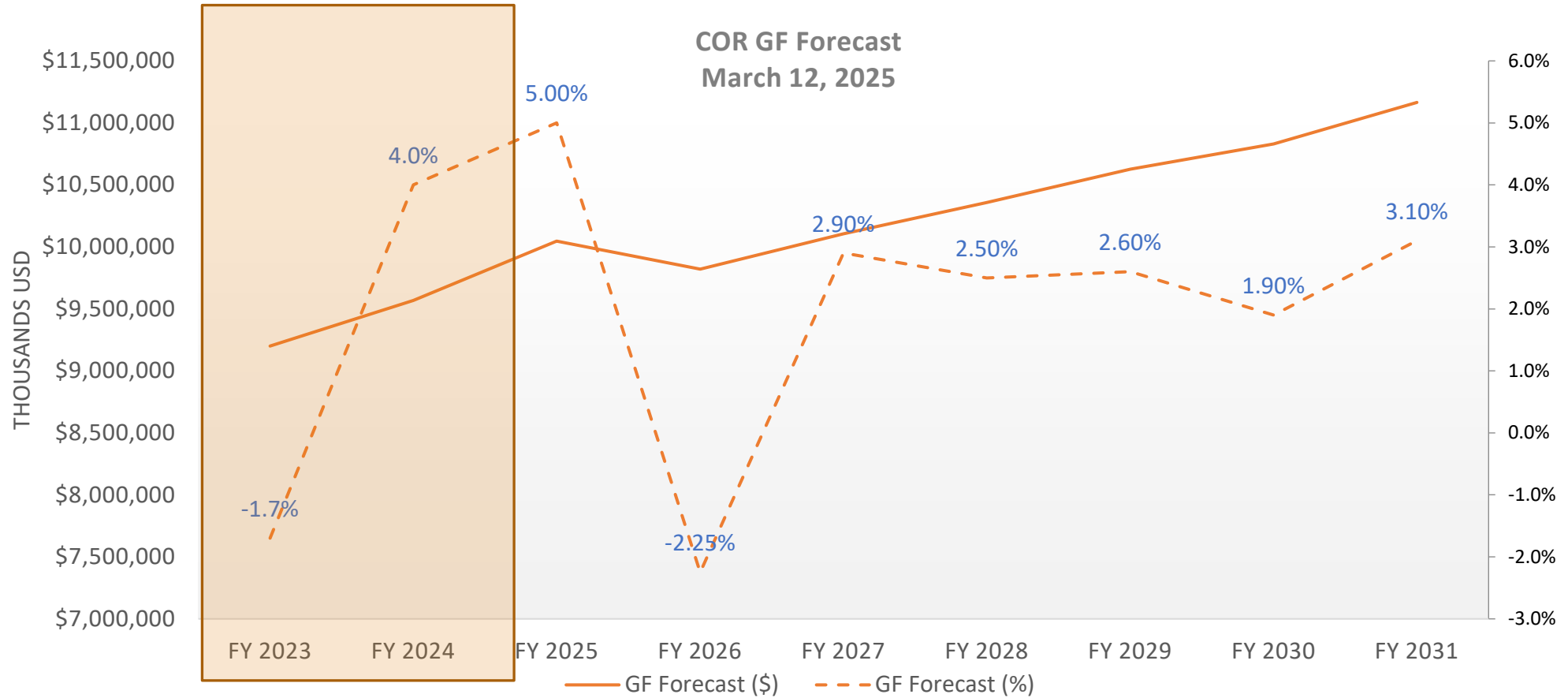
The average MoM General Fund growth rate for the last three months: 2.4%

Table 1
SUMMARY TABLE
ESTIMATES OF GENERAL FUND TAX REVENUES: FY 2025 to FY 2031
Amount (\$1,000) and Growth Rate (%)

| | BASE | | ESTIMATE | | | | | | |
|---------------------------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
| CURRENT FORECAST as of March 12, 2025 | \$ 9,200,305 -1.7% | \$ 9,568,313 4.0% | \$ 10,046,729 5.0% | \$ 9,820,678 -2.3% | \$ 10,105,506 2.9% | \$ 10,358,144 2.5% | \$ 10,627,456 2.6% | \$ 10,829,378 1.9% | \$ 11,165,089 3.1% |
| ABOVE THE LINE FORECAST (01/08/2025) | \$ 9,200,305 | \$ 9,568,313 | \$ 10,287,029 7.5% | \$ 10,450,829 1.6% | \$ 10,923,090 4.5% | \$ 11,361,807 4.0% | \$ 11,764,581 3.5% | \$ 12,179,897 3.5% | \$ 12,604,663 3.5% |
| 2024 LEGISLATURE - REVENUE IMPACT | | | \$ (240,300) | \$ (596,600) | \$ (740,100) | \$ (922,700) | \$ (1,052,600) | \$ (1,262,300) | \$ (1,347,500) |
| Act 46 - Individual Income Tax | | | \$ - | (33,551) | (77,484) | (80,963) | (84,525) | (88,219) | (92,074) |
| Act 47 - GET | | | | | | | | | |
| | \$ 9,200,305 | \$ 9,568,313 | \$ 10,046,729 5.0% | \$ 9,820,678 -2.2% | \$ 10,105,506 2.9% | \$ 10,358,144 2.5% | \$ 10,627,456 2.6% | \$ 10,829,378 1.9% | \$ 11,165,089 3.1% |
| MODEL 1 - INPUT MEAN FORECAST | \$ 9,200,305 | \$ 9,568,313 | \$ 9,827,238 2.7% | \$ 9,882,667 0.6% | \$ 10,088,690 2.1% | \$ 10,288,583 2.0% | \$ 10,556,662 2.6% | \$ 10,754,199 1.9% | \$ 11,120,393 3.4% |

The model results from the mean forecast are pretty close to the January 08 forecast (model not adjusted for estate tax payment)

Current Council on Revenues Forecast



March 12, 2025 Forecast

| FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$9,200,336 | \$9,568,313 | \$10,046,729 | \$9,820,677 | \$10,105,477 | \$10,358,114 | \$10,627,425 | \$10,829,346 | \$11,165,056 |
| -1.70% | 4.00% | 5.00% | -2.25% | 2.90% | 2.50% | 2.60% | 1.90% | 3.10% |

Mahalo!