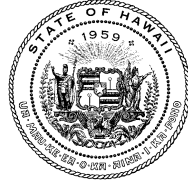


DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
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STATE OF HAWAII
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RONA M. SUZUKI
DIRECTOR OF TAXATION

DEPT. COMM. NO. 232
DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

December 26, 2019

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirtieth Legislature
State of Hawaii
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott Saiki,
Speaker and Members of the House
of Representatives
Thirtieth Legislature
State of Hawaii
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting an electronic copy of the Hawaii Individual Income Tax Statistics for Tax Year 2017, as required by Section 231-3.4(a)(1), Hawaii Revised Statutes.

In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the reports may be viewed electronically at <http://tax.hawaii.gov/stats>.

Sincerely,

A handwritten signature in black ink, appearing to read "Rona M. Suzuki".

Digitally signed by
Rona M. Suzuki
Date: 2019.12.26
17:07:53 -10'00'

RONA M. SUZUKI
Director of Taxation

Enclosure

Hawaii Individual Income Tax Statistics

Tax Year 2017

DEPARTMENT OF TAXATION

STATE OF HAWAII

STATE OF HAWAII

David Y. Ige, Governor

DEPARTMENT OF TAXATION

Rona M. Suzuki, Director

Damien A. Elefante, Deputy Director

TAX RESEARCH & PLANNING OFFICE

Seth Colby, Tax Research & Planning Officer

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Hawaii Individual Income Tax Statistics

Tax Year 2017

DEPARTMENT OF TAXATION

STATE OF HAWAII

December 2019

Prepared by Tax Research and Planning Office

WEB SITE: tax.hawaii.gov

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Introduction

This study examines statistics from Hawaii income tax returns filed by Hawaii resident and nonresident taxpayers for tax year 2017. 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 published since the study for tax year 2005.

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. Additionally, every individual receiving gross income above a certain threshold amount must file a tax return. Generally, the threshold for resident taxpayers is the sum of the standard deduction and the personal exemption. For individuals 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 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 can file a tax return to claim tax credits.

This study presents data taken from Hawaii individual income tax returns filed by all Hawaii resident and nonresident taxpayers for tax year 2017. In 2017, residents use Form N-11 to pay Hawaii individual income tax. Form N-11 uses federal AGI as the starting point for calculating Hawaii taxable income. Nonresidents and part-year residents with income from Hawaii sources use Form N-15 to pay Hawaii income tax liabilities.

Comparison of Selected Items for All 2017 and 2016 Tax Returns

Item	2017	2016	% Change
Number of Returns	734,673	724,613	1.4%
Number of Exemptions	1,567,271	1,547,830	1.3%
Number of Age Exemptions of Residents	196,232	190,032	3.3%
Number of Disability Exemptions of Residents	5,066	5,363	-5.5%
Number of Returns of Dependent Residents	32,241	31,702	1.7%
	(Dollar amounts are in millions)		
Hawaii Total Income	\$44,674	\$42,096	6.1%
Hawaii Adjusted Gross Income	\$39,161	\$36,850	6.3%
Hawaii Total Deductions	\$7,753	\$7,077	9.6%
Hawaii Total Exemptions	\$1,630	\$1,621	0.6%
Taxable Income	\$33,617	\$31,399	7.1%
Tax Liability Before Credits	\$2,268	\$2,103	7.8%
Tax Liability After Credits	\$2,119	\$1,955	8.4%
Tax Withheld	\$1,839	\$1,748	5.2%

*Includes negative adjusted gross income.

Compared with tax year 2016, Hawaii tax returns increased by 10,060 or 1.4%, the number of exemptions by 19,441 or 1.3%, and the number of age exemptions by 6,200 or 3.3% for tax year 2017 for all taxpayers. Hawaii total income increased by \$2,578 million or 6.1%, Hawaii adjusted gross income (Hawaii AGI) increased by \$2,311 million or 6.3%, and Hawaii taxable income increased by \$2,218 million, or 7.1% for tax year 2017. Hawaii tax liability before credits and after credits rose by \$165, or 7.8% and 8.4% respectively for tax year 2017.

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. Unlike the IRC, Hawaii's definition of taxable income does not include social security benefits, distributions from employer-provided pensions, contributions made to a Hawaii individual housing account, exceptional trees deduction and in 2017, the first \$6,401 of military reserve or Hawaii National Guard duty pay. The IRC also exempts interest on U.S. savings bonds from income whereas, Hawaii does not.

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.

2017 Federal and State Standard Deduction and Exemption

	Federal	Hawaii
Standard Deduction		
Single	\$6,350	\$2,200
Married Filing Jointly	12,700	4,400
Qualifying Widow(er)	12,700	4,400
Married Filing Separately	6,350	2,200
Head of Household	9,350	3,212
Personal or Dependent Exemption	\$4,050	\$1,144 ¹

Hawaii uses different standard deductions or personal exemptions amounts than the IRC. Hawaii's regular personal exemption was \$1,144 in 2017, whereas the federal personal exemption was \$4,050. Hawaii also 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 in 2017 was \$12,700 for married couples filing a joint tax return, \$6,350 for single individuals and married couples filing separate tax returns and \$9,350 for a head of household, with an additional standard deduction of \$1,250 for the aged or blind (\$1,550 if the taxpayer is single and not a surviving spouse). Hawaii's standard deductions for 2017 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.

¹ Hawaii Taxpayers may claim (1) an additional exemption for age 65 and older, and (2) a disability exemption of \$7,000 in lieu of the regular personal exemption of \$1,144.

State Individual Income Tax Legislation

Hawaii's Legislature enacted several measures related to individual income taxes for tax year 2017, of which the following are the most prominent:

Act 107, SLH 2017

Reinstated three tax rates and brackets (9%, 10%, and 11%) for the highest-income taxpayers imposed by Act 60, SLH 2009, for tax years beginning after December 31, 2017.

Act 107, SLH 2017

Established a state nonrefundable earned income tax credit (EITC) equal to 20 percent of the federal EITC. The tax credit applies to tax years 2018 through 2022.

Act 107, SLH 2017

Repealed the sunset date (December 31, 2017) for the amendments made to the food/excise tax credit by Act 223, SLH 2015.

Act 223, SLH 2015

Increased the refundable food/excise tax credit for certain taxpayers and repealed credit for individual taxpayers with adjusted gross incomes of \$30,000 or above and for heads of households, married couples filing jointly, and married couples filing separately, with adjusted gross incomes of \$50,000 or above for tax years 2016 and 2017.

Data Source and Methodology

Data for this report were from the Department's tax management system. The data include state individual income tax returns (Forms N-11 and N-15) filed for tax year 2017 and processed by March 31, 2019.

A total of **734,673 individual income tax returns filed for tax year 2017** were analyzed for this study. The data taken from the tax returns are items as reported by individuals, before any subsequent audits, but after automatic adjustments 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 by making sure that figures for total income, deductions, exemptions, and taxable income were consistent with each other.

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

Table 1A shows the number and type of state tax returns filed by Hawaii residents and nonresidents for tax year 2017, by Hawaii AGI class and by tax district. ² Hawaii Residents filed a total of 634,969 state individual income tax returns by filing Form N-11, or approximately 86% of the total number of tax returns filed for tax year 2017. ³ Of the state resident tax returns, 70% were filed by taxpayers on Oahu, 12% by taxpayers on Maui, 13% by taxpayers on Hawaii, and 5% by taxpayers on Kauai.

Table 1A
Types of State Individual Income Tax Returns Filed for Tax Year 2017

By Hawaii AGI Class ^{1/}								
Hawaii AGI Class			Forms N-11		Forms N-15		All Individual Returns	
			Number	%	Number	%	Number	%
Less than	\$5,000	93,681	12.8%	50,648	6.9%	144,329	19.6%	
\$5,000 under	\$10,000	44,581	6.1%	11,854	1.6%	56,435	7.7%	
\$10,000 under	\$20,000	77,036	10.5%	12,874	1.8%	89,910	12.2%	
\$20,000 under	\$30,000	73,128	10.0%	6,893	0.9%	80,021	10.9%	
\$30,000 under	\$40,000	65,228	8.9%	4,215	0.6%	69,443	9.5%	
\$40,000 under	\$50,000	52,240	7.1%	2,704	0.4%	54,944	7.5%	
\$50,000 under	\$75,000	83,436	11.4%	3,874	0.5%	87,310	11.9%	
\$75,000 under	\$100,000	50,704	6.9%	2,074	0.3%	52,778	7.2%	
\$100,000 under	\$150,000	52,563	7.2%	1,958	0.3%	54,521	7.4%	
\$150,000 under	\$200,000	20,719	2.8%	854	0.1%	21,573	2.9%	
\$200,000 under	\$300,000	12,318	1.7%	741	0.1%	13,059	1.8%	
\$300,000 and over		9,335	1.3%	1,015	0.1%	10,350	1.4%	
Total - All Returns		634,969	86.4%	99,704	13.6%	734,673	100.0%	

By Tax District ^{2/}								
Tax District			Forms N-11		Forms N-15		All Individual Returns	
			Number	%	Number	%	Number	%
Oahu (District 1)			447,859	61.0%	94,051	12.8%	541,910	73.8%
Maui (District 2)			73,986	10.1%	2,274	0.3%	76,260	10.4%
Hawaii (District 3)			80,831	11.0%	2,409	0.3%	83,240	11.3%
Kauai (District 4)			32,293	4.4%	970	0.1%	33,263	4.5%
Total - All Returns			634,969	86.4%	99,704	13.6%	734,673	100.0%

^{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.

² Hawaii is divided into the following four tax districts: District 1 is the City and County of Honolulu; District 2 consists of Maui and Kalawao Counties; District 3 is Hawaii County; and District 4 is Kauai County.

³ Form N-13 was not available for Hawaii residents to file since tax year 2016.

Hawaii Nonresidents filed a total of 99,704 Hawaii individual income tax returns (Form N-15), or 14% of the total number of tax returns filed for tax year 2017. 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 15% of all resident returns and 51% of all nonresident returns.

Hawaii Residents and nonresidents filed a total of 734,673 state individual income tax returns for tax year 2017.

Table 1B shows the total state tax returns filed by Hawaii taxpayers for tax year 2017 were 734,673, an increase of 1.4% over the 724,613 tax returns filed for tax year 2016. The tax returns filed by Oahu residents or nonresidents for tax year 2017 were 541,910, compared with 530,084 filed for tax year 2016.

Table 1B
State Individual Income Tax Returns Filed for Tax Year 2017 and 2016
 By Hawaii AGI Class ^{1/}

Hawaii AGI Class	2017	2016	Difference	
			Amount	% Change
Less than \$5,000	144,329	144,188	141	0.1%
\$5,000 under \$10,000	56,435	57,826	-1,391	-2.4%
\$10,000 under \$20,000	89,910	91,624	-1,714	-1.9%
\$20,000 under \$30,000	80,021	79,744	277	0.3%
\$30,000 under \$40,000	69,443	68,890	553	0.8%
\$40,000 under \$50,000	54,944	54,257	687	1.3%
\$50,000 under \$75,000	87,310	83,609	3,701	4.4%
\$75,000 under \$100,000	52,778	51,293	1,485	2.9%
\$100,000 under \$150,000	54,521	52,166	2,355	4.5%
\$150,000 under \$200,000	21,573	20,129	1,444	7.2%
\$200,000 under \$300,000	13,059	11,730	1,329	11.3%
\$300,000 and over	10,350	9,157	1,193	13.0%
Total - All Returns	734,673	724,613	10,060	1.4%

Tax District	2017	2016	Difference	
			Amount	% Change
Oahu (District 1)	541,910	530,084	11,826	2.2%
Maui (District 2)	76,260	76,999	-739	-1.0%
Hawaii (District 3)	83,240	83,863	-623	-0.7%
Kauai (District 4)	33,263	33,667	-404	-1.2%
Total - All Returns	734,673	724,613	10,060	1.4%

^{1/} Includes both taxable and nontaxable tax returns.

^{2/} nonresident alien tax returns that have an out-of-state address are allocated to Oahu.

Table 1C shows state tax liability before credits of Hawaii residents and nonresidents for tax year 2017, by Hawaii AGI class and by tax district. Hawaii residents incurred an individual income tax liability worth \$2.11 billion, or approximately 93% of the total tax liability paid for tax year 2017. Of the individual income tax paid by Hawaii resident taxpayers, 74% was paid by taxpayers on Oahu, 11% by taxpayers on Maui, 10% by taxpayers on Hawaii, and 5% by taxpayers on Kauai.

Hawaii nonresidents owed a total of \$158.3 million individual income tax (Form N-15), or about 7% of the total tax paid. For residents and nonresidents, the income class for Hawaii AGI higher than \$300,000 owed the most tax. Tax owed by this income class accounted for 27% of all tax by Hawaii residents and 46% of all tax paid by Hawaii nonresidents.

Hawaii Residents and nonresidents incurred a total liability of \$2,268 million individual income tax for tax year 2017.

Table 1C
State Individual Income Tax Liability for Tax Year 2017

(Dollar amounts are in millions)

By Hawaii AGI Class ^{1/}

Hawaii AGI Class	Forms N-11		Forms N-15		All Individual Returns	
	Number	%	Number	%	Number	%
Less than \$5,000	\$0.3	0.0%	\$0.5	0.0%	\$0.7	0.0%
\$5,000 under \$10,000	\$3.1	0.1%	\$1.6	0.1%	\$4.7	0.2%
\$10,000 under \$20,000	\$26.4	1.2%	\$5.6	0.2%	\$32.0	1.4%
\$20,000 under \$30,000	\$64.9	2.9%	\$6.7	0.3%	\$71.6	3.2%
\$30,000 under \$40,000	\$97.4	4.3%	\$6.5	0.3%	\$103.9	4.6%
\$40,000 under \$50,000	\$109.2	4.8%	\$5.8	0.3%	\$115.0	5.1%
\$50,000 under \$75,000	\$253.7	11.2%	\$12.4	0.5%	\$266.1	11.7%
\$75,000 under \$100,000	\$229.2	10.1%	\$10.2	0.4%	\$239.4	10.6%
\$100,000 under \$150,000	\$352.2	15.5%	\$14.7	0.6%	\$366.9	16.2%
\$150,000 under \$200,000	\$209.7	9.2%	\$9.8	0.4%	\$219.5	9.7%
\$200,000 under \$300,000	\$195.0	8.6%	\$12.4	0.5%	\$207.4	9.1%
\$300,000 and over	\$568.9	25.1%	\$72.2	3.2%	\$641.1	28.3%
Total - All Returns	\$2,110.1	93.0%	\$158.3	7.0%	\$2,268.4	100.0%

By Tax District ^{2/}

Tax District	Forms N-11		Forms N-15		All Individual Returns	
	Number	%	Number	%	Number	%
Oahu (District 1)	\$1,558.1	68.7%	\$151.7	6.7%	1,709.8	75.4%
Maui (District 2)	\$225.2	9.9%	\$3.1	0.1%	228.3	10.1%
Hawaii (District 3)	\$219.4	9.7%	\$2.5	0.1%	221.9	9.8%
Kauai (District 4)	\$107.4	4.7%	\$1.0	0.0%	108.4	4.8%
Total - All Returns	\$2,110.1	93.0%	\$158.3	7.0%	2,268.4	100.0%

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

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 1D shows the total state individual income tax paid by Hawaii residents or nonresidents for tax year 2017 was \$2,268 million, an increase of 7.8% over the \$2,103 million tax paid for tax year 2016. The tax paid by Oahu residents or nonresidents for 2017 was \$1,710 million, up by 6.7% over the \$1,602 million paid for 2016.

Table 1D
State Individual Income Tax Liability for Tax Year 2017 and 2016
(Dollar amounts are in millions)
By Hawaii AGI Class ^{1/}

Hawaii AGI Class			2017	2016	Difference	
					Amount	% Change
Less than	\$5,000		0.7	0.7	0.0	5.2%
\$5,000 under	\$10,000		4.7	4.7	0.0	0.1%
\$10,000 under	\$20,000		32.0	32.5	-0.5	-1.7%
\$20,000 under	\$30,000		71.6	71.1	0.5	0.6%
\$30,000 under	\$40,000		103.9	102.1	1.8	1.8%
\$40,000 under	\$50,000		115.0	112.8	2.2	2.0%
\$50,000 under	\$75,000		266.1	252.2	13.9	5.5%
\$75,000 under	\$100,000		239.4	230.9	8.4	3.7%
\$100,000 under	\$150,000		366.9	348.7	18.2	5.2%
\$150,000 under	\$200,000		219.5	203.4	16.2	7.9%
\$200,000 under	\$300,000		207.4	186.3	21.2	11.4%
\$300,000 and over			641.1	558.0	83.2	14.9%
Total - All Returns			2,268.4	2,103.4	165.0	7.8%

By Tax District ^{2/}				Difference		
				Amount	% Change	
Tax District			2017	2016		
Oahu (District 1)			1,709.8	1,601.9	107.9	6.7%
Maui (District 2)			228.3	209.6	18.6	8.9%
Hawaii (District 3)			221.9	201.7	20.2	10.0%
Kauai (District 4)			108.4	90.2	18.3	20.3%
Total - All Returns			2,268.4	2,103.4	165.0	7.8%

^{1/} Includes both taxable and nontaxable tax returns.

^{2/} nonresident alien tax returns that have an out-of-state address are allocated to Oahu.

Table 2A shows the distribution of the number of state resident tax returns, Hawaii AGI, and tax liability by filing status. For tax year 2017, among residents, 'Single' filing status (including single and married individuals filing separately) accounted for 54.0% of returns. 'Joint' status (Married, filing jointly) accounted for 35.0% of resident returns. 'Head of household' status (including Head of household and qualified widower) accounted for 11.0% of resident returns. Tax returns with 'Joint' status accounted for 60.1% of total Hawaii AGI for resident tax returns, followed by 'Single' status (31.3%) and 'Head of household' status (8.6%). Tax returns with 'Joint' status accounted for 61.1% of total tax liability for resident tax returns, followed by 'Single' status (31.5%) and 'Head of household' status (7.4%).

For tax year 2017, the state tax returns filed by Hawaii residents were 634,969, an increase of 0.8% over the 630,021 tax returns filed by Hawaii residents for tax year 2016. The Hawaii AGI of Hawaii residents for 2017 were \$37.8 billion, up by 6.4% over the \$35.5 billion for 2016. The tax liability of Hawaii residents for 2017 were \$2,110 million, up by 7.9% over the \$1,955 million for 2016.

Table 2A
Number of State Resident Tax Returns and Hawaii AGI by Filing Status – 2017 and 2016

(Dollar amounts are in millions)

Status	2017			2016			% Change		
	No. Returns	Hawaii AGI*	Tax	No. Returns	Hawaii AGI*	Tax	No. Returns	Hawaii AGI*	Tax
Single**	342,620	\$11,826	\$665	338,556	\$11,088	\$614	1.2%	6.7%	8.3%
Joint	222,182	\$22,677	\$1,289	222,174	\$21,491	\$1,205	0.0%	5.5%	7.0%
Head of Household***	70,167	\$3,258	\$157	69,291	\$2,905	\$137	1.3%	12.2%	14.4%
Total	634,969	\$37,761	\$2,110	630,021	\$35,484	\$1,955	0.8%	6.4%	7.9%

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

*Includes returns with negative AGI.

** Includes returns for single and married individuals filing separately.

*** Includes returns for heads of households and for qualified widow(er).

Table 2B shows the distribution of the number of state nonresident tax returns, Hawaii AGI, and tax liability by filing status. For tax year 2017, among nonresident tax returns, the most common filing status was 'Single' status (48.7%), followed by 'Joint' status (47.4%) and by 'Head of household' status (3.9%). Tax returns with 'Single' status accounted for 49.5% of total Hawaii AGI and with 'Joint' status accounted for 47.8% of Hawaii AGI for the nonresident returns, followed by 'Head of household' status(2.7%). Tax returns with 'Joint' status accounted for 58.6% of total tax liability for nonresident tax returns, followed by 'Single' status (38.7%) and 'Head of household' status (2.6%).

For tax year 2017, the state tax returns filed by Hawaii nonresidents were 99,704, an increase of 5.4% over the 94,592 tax returns filed by Hawaii nonresidents for tax year 2016. The Hawaii AGI of Hawaii nonresidents for 2017 were \$1.40 billion, up by 2.5% over the \$1.37 billion for 2016. The tax liability of Hawaii nonresidents for 2017 were \$158 million, up by 6.7% over the \$148 million for 2016.

Table 2B
Number of State Nonresident Tax Returns and Hawaii AGI by Filing Status – 2017 and 2016
(Dollar amounts are in millions)

Status	2017			2016			% Change		
	No. Returns	Hawaii AGI*	Tax*	No. Returns	Hawaii AGI*	Tax*	No. Returns	Hawaii AGI*	Tax*
Single**	48,570	\$693	\$61	45,558	\$680	\$57	6.6%	1.9%	7.0%
Joint	47,218	\$670	\$93	45,192	\$643	\$87	4.5%	4.2%	7.0%
Head of Household***	3,916	\$38	\$4	3,842	\$44	\$4	1.9%	-14.5%	-2.6%
Total	99,704	\$1,400	\$158	94,592	1,366	\$148	5.4%	2.5%	6.7%

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

*Includes returns with negative AGI.

**Includes returns for single, married individuals filing separately, and composite returns filed by nonresidents.

*** Includes returns for heads of households and for qualified widow(er).

Figure 1A
Types of Hawaii Individual Income Tax Returns Filed for Tax Year 2012-2017 ⁴

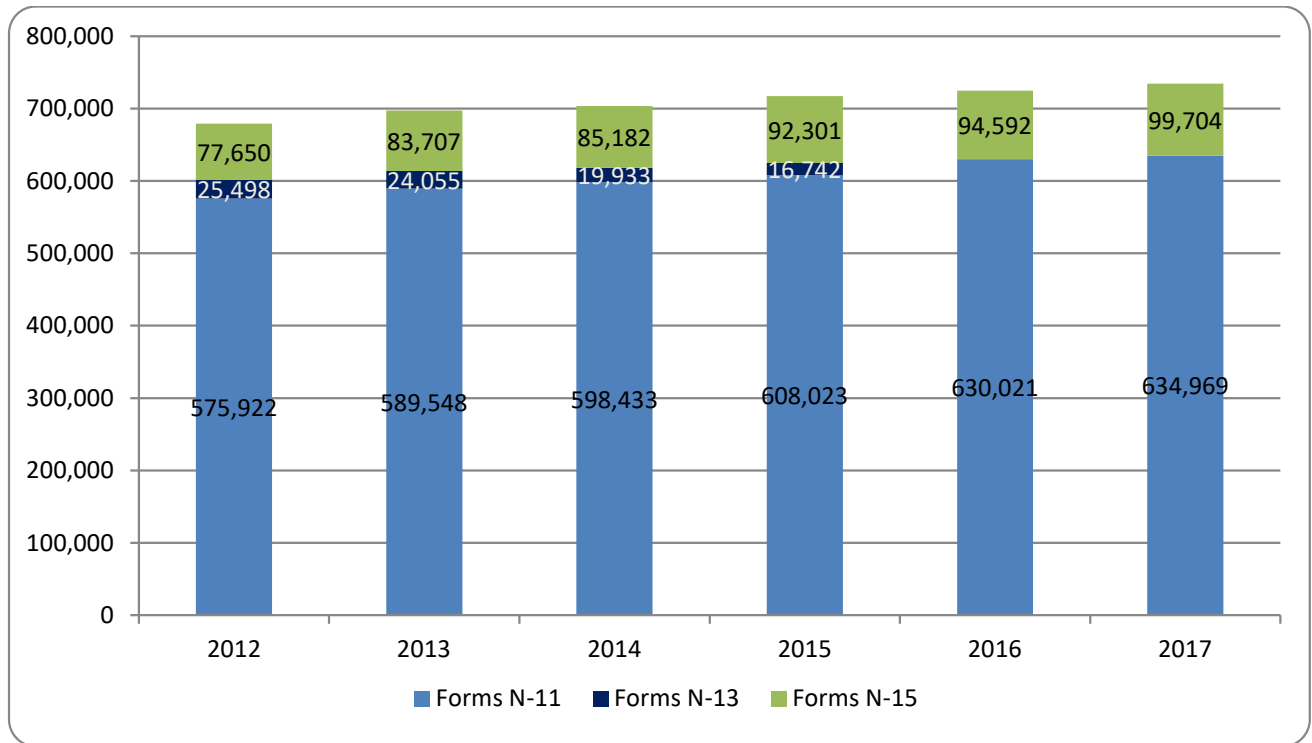
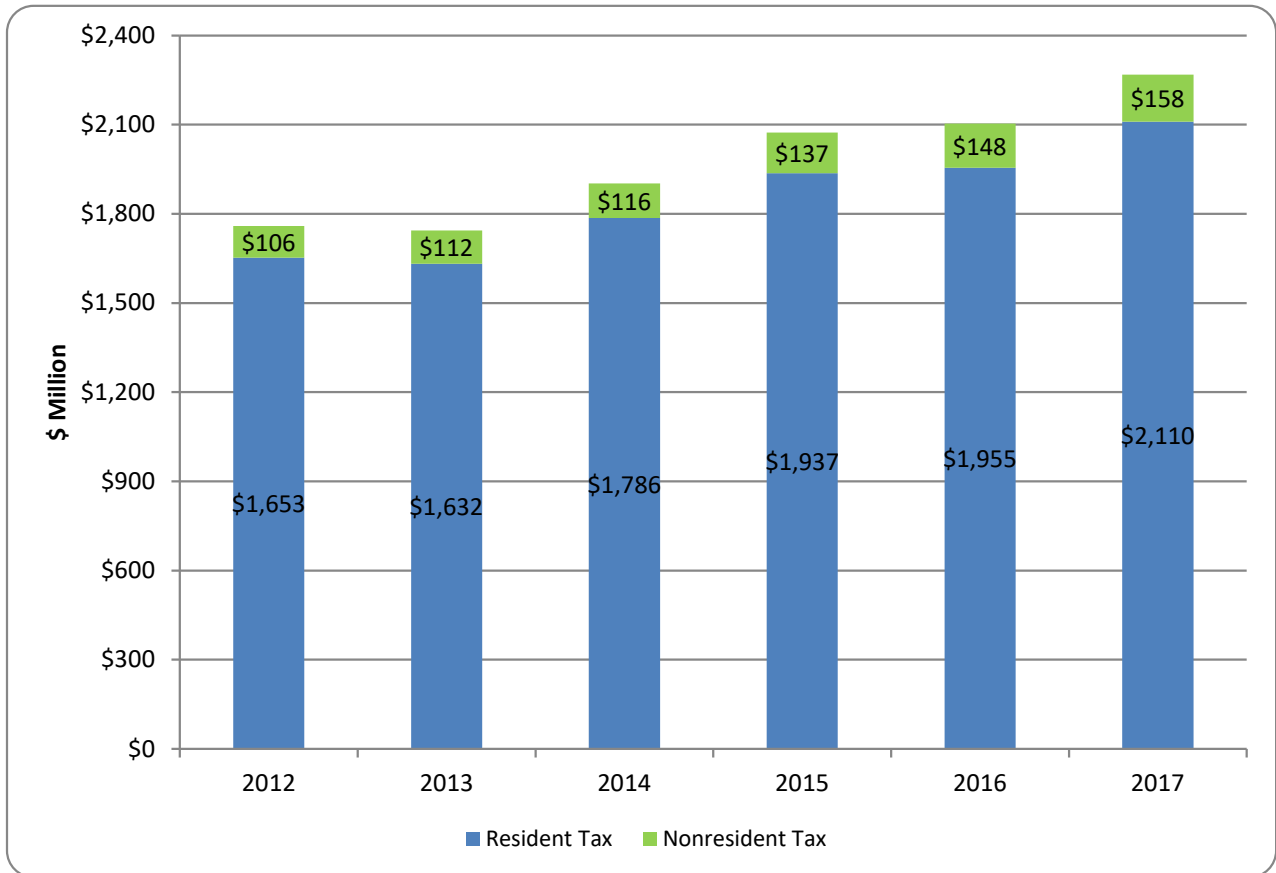


Figure 1A shows Hawaii individual income tax returns filed by tax type for tax year 2012-2017. The total state individual income tax returns increased from 679,070 in 2012 to 734,673 in 2017 with an average yearly growth rate of 1.6%. Among which, the individual income tax returns filed on Form N-11 increased from 575,922 in 2012 to 634,969 in 2017 (2.0% yearly increase); the individual income tax returns filed on Form N-15 increased from 77,650 in 2012 to 99,704 in 2017 (5.1% yearly increase); and the individual income tax Returns filed on Form N-13 decreased from 25,498 in 2012 to 16,742 in 2016 (13.1% yearly decrease) and was not available for filing since tax year 2016.

⁴ The shorter and simpler Form N-13 was not available for Hawaii resident taxpayers to file since tax year 2016.

Figure 1B shows Hawaii individual income tax liability for tax year 2012-2017. The total state individual income tax liability increased from \$1.76 billion in 2012 to \$2.27 billion in 2017 with an average yearly growth rate of 5.2%. Among which, the individual income tax liability paid by Hawaii residents increased from \$1.65 billion in 2012 to \$2.11 billion in 2017 (5.0% yearly increase) and the individual income tax liability paid by Hawaii nonresidents rose from \$106 million in 2012 to \$158 million in 2017 (8.4% yearly increase).

Figure 1B
Hawaii Individual Income Tax Liability for Tax Year 2012-2017



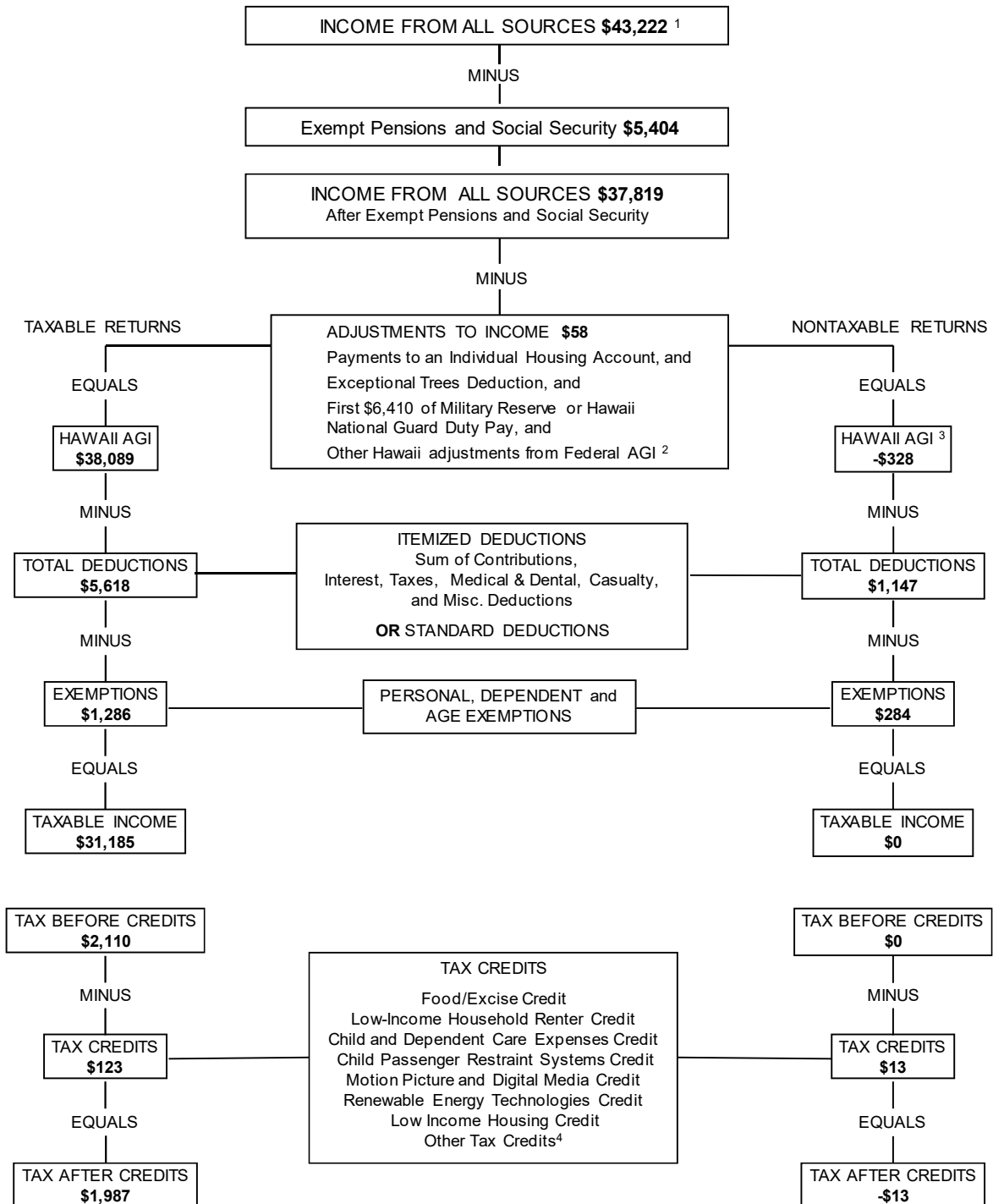
Highlights of Statistics from State Resident Tax Returns

Resident Income and Adjustments

Selected data from state resident tax returns are shown in Appendix Tables A-1 and A-2. Chart 1 on the next page shows the major components of state resident tax returns for tax year 2017. Federal AGI is the starting point for calculating Hawaii taxable income on Form N-11. The calculation of Hawaii AGI begins with Federal AGI. Income that is not taxed by Hawaii is subtracted from this figure and income taxed by Hawaii but not by the federal government is added to the figure. 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 federal bonds.

For tax year 2017, Hawaii residents with taxable income reported total Hawaii AGI of \$37.8 billion, total deductions of \$6.8 billion, total exemptions of \$1.6 billion, total taxable income of \$ 31.2 billion, total tax liability before credits of \$2.11 billion, and total tax liability after credits of \$1.97 billion.

Chart 1
Components of State Resident Returns
(Dollars in Millions)



¹ The income amount from all sources for Hawaii Residents is FAGI, Difference in state/federal wages, Interest on out-of-state bonds.

² Includes Interest on federal obligations, Interest earned on an Individual Housing Account, Contributions to and interest by an individual development account, Certain income from a qualified high technology business, and other Hawaii additions to federal AGI.

³ Includes losses.

⁴ Include capital goods excise tax credit, tax credit for research activities, fuel credit for commercial fishers, employment of vocational rehabilitation referrals credit, school repair and maintenance, capital infrastructure tax credit, etc.

Note: 1. For Hawaii Resident Taxpayers who file Form N-11 or N-13

2. Detail may not add up to total due to rounding.

Table 3A shows the adjustments that residents made to their Federal AGI to calculate their Hawaii AGI on Form N-11, and the number of tax returns on which the adjustments were reported. For residents, Federal AGI was \$40.8 billion for those with Hawaii State taxable income and \$1.9 billion for those without Hawaii State 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 \$3.2 billion for residents with Hawaii taxable income and \$2.2 billion for residents without Hawaii taxable income. Items subtracted from Federal AGI in 2017 totaled \$6.1 billion whereas items added totaled only \$1.1 billion.

Table 3A
Differences Between Federal AGI and Hawaii AGI for Residents
Who Filed Form N-11 for Tax Year 2017
(Dollar amounts are in millions)

	Taxable Returns		Nontaxable Returns		Total	
	No. Returns	Amount	No. Returns	Amount	No. Returns	Amount
Federal AGI	531,861	\$40,832	103,108	\$1,886	634,969	\$42,719
MINUS (subtractions from Federal AGI):						
Exempt Pensions Taxed Federally	62,309	\$2,050	50,372	\$1,763	112,681	\$3,813
Social Security Benefits	66,234	\$1,127	34,548	\$464	100,782	\$1,591
Other Subtractions from Federal AGI*	66,507	\$472	11,426	\$207	77,933	\$680
Total Subtractions	136,607	\$3,648	56,135	\$2,435	192,742	\$6,083
PLUS						
Hawaii Additions to Federal AGI**	144,708	\$905	11,646	\$220	156,354	\$1,125
EQUALS						
Hawaii AGI	531,861	\$38,089	103,108	-\$328	634,969	\$37,761

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

* Includes payments to an Individual Housing Account, exceptional trees deduction, 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.

** Includes difference in state/federal wages, Interest on out-of-state bonds, taxable amounts of Individual Housing Accounts, Hawaii tax refunds, excluded income earned outside of the United States, certain depreciation amounts, and other adjustments.

Table 3B shows total Federal AGI reached \$42.7 billion in tax year 2017, an increase of 6.3% reported for tax year 2016. Total Hawaii AGI amounted to \$37.8 billion for tax year 2017, up by 6.4% over the \$35.5 billion for tax year 2016.

Table 3B
Differences Between Federal AGI and Hawaii AGI for Residents
Who Filed Form N-11 for Tax Year 2017 and 2016
(Dollar amounts are in millions)

	2017		2016		% Change	
	No. Returns	Amount	No. Returns	Amount	No. Returns	Amount
Federal AGI	634,969	\$42,719	630,021	\$40,179	0.8%	6.3%
MINUS (subtractions from Federal AGI):						
Exempt Pensions Taxed Federally	112,681	\$3,813	110,869	\$3,640	1.6%	4.7%
Social Security Benefits	100,782	\$1,591	97,124	\$1,491	3.8%	6.7%
Other Subtractions from Hawaii AGI*	77,933	\$680	83,193	\$537	-6.3%	26.6%
Total Subtractions	192,742	\$6,083	195,253	\$5,668	-1.3%	7.3%
PLUS						
Hawaii Additions to Federal AGI**	156,354	\$1,125	153,226	\$972	2.0%	15.8%
EQUALS						
Hawaii AGI	634,969	\$37,761	630,021	\$35,483	0.8%	6.4%

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

* Includes payments to an Individual Housing Account, exceptional trees deduction, 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.

** Includes difference in state/federal wages, Interest on out-of-state bonds, taxable amounts of Individual Housing Accounts, Hawaii tax refunds, excluded income earned outside of the United States, certain depreciation amounts, and other adjustments.

State Resident Personal Exemptions and Deductions

All individuals filing a Hawaii state income tax return may claim one personal exemption for themselves and an additional exemption for each qualified dependent if not claimed as a 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 2017. Individuals who are certified as blind, deaf or totally disabled could claim a special personal exemption of \$7,000 for themselves. For tax year 2017, resident taxpayers reported a total of 1.35 million exemptions (including the age exemption) on 602,707 Hawaii state income tax returns, for an average of 2.2 exemptions per return. The total amount of exemptions claimed by residents was \$1.57 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 tax year 2017 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 State 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	2013	2017
	Standard Deduction (\$)					
Single	800	1,000	1,500	2,000	2,200	2,200
Married Filing Joint	1,000	1,700	1,900	4,000	4,400	4,400
Married Filing Separate	500	850	950	2,000	2,200	2,200
Head of Household	800	1,500	1,650	2,920	3,212	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 2017, 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 5A and Table 5B.

Table 5A
Itemized and Standard Deductions Claimed by Residents - 2017

(Dollar amounts are in millions)

Deduction Type	No. Returns	% of All Returns	Amount	% of Total Allowable Deductions
Charitable Contributions	234,919	37.0%	\$1,125	16.6%
Interest	168,807	26.6%	\$1,959	29.0%
Medical and Dental	75,387	11.9%	\$600	8.9%
Casualty and Theft	299	0.0%	\$10	0.2%
Taxes	348,787	54.9%	\$1,822	26.9%
Miscellaneous	128,462	20.2%	\$645	9.5%
Total Itemized Deductions	352,384	55.5%	\$6,158	91.0%
Total Disallowed Itemized Deductions	30,425	4.8%	\$173	2.6%
Allowable Itemized Deductions	352,384	55.5%	\$5,985	88.5%
Total Standard Deductions	282,585	44.5%	\$780	11.5%
Total Allowable Deductions	634,969	100.0%	\$6,765	100.0%

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

Table 5B
Itemized and Standard Deductions Claimed by Residents - 2017 and 2016

(Dollar amounts are in millions)

Deduction Type	2017		2016		% Change	
	No. Returns	Amount	No. Returns	Amount	No. Returns	Amount
Charitable Contributions	234,919	\$1,125	233,375	\$1,032	0.7%	9.0%
Interest	168,807	\$1,959	168,149	\$1,965	0.4%	-0.3%
Medical and Dental	75,387	\$600	79,743	\$585	-5.5%	2.5%
Casualty and Theft	299	\$10	234	\$5	27.8%	100.4%
Taxes	348,787	\$1,822	340,078	\$1,712	2.6%	6.4%
Miscellaneous	128,462	\$645	127,856	\$598	0.5%	7.8%
Total Itemized Deductions	352,384	\$6,158	343,456	\$5,894	2.6%	4.5%
Total Disallowed Itemized Deductions	30,425	\$173	27,402	\$145	11.0%	19.6%
Allowable Itemized Deductions	352,384	\$5,985	343,456	\$5,749	2.6%	4.1%
Total Standard Deductions	282,585	\$780	286,565	\$793	-1.4%	-1.6%
Total Allowable Deductions	634,969	\$6,765	630,021	\$6,542	0.8%	3.4%

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

State Resident Taxable Income and Tax Liability

Of the state tax returns filed by residents, 16.2% had no taxable income. Residents with taxable income reported total tax liabilities for 2017 of \$2.11 billion before tax credits and \$1.97 billion after tax credits. Oahu accounted for 73.4% of the total taxable income of residents, followed by Maui and Hawaii counties, with 10.8% and 10.6%, and Kauai with 5.1%. 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 resident tax liability distribution by Hawaii AGI class. Residents with \$100,000 or more in Hawaii AGI paid \$1.33 billion or 62.8% of the total taxes before tax credits paid by residents and \$1.24 billion or 62.5% of the total after tax credits. Residents with \$200,000 or more in Hawaii AGI paid \$0.76 billion or 36.2% of the total taxes paid by residents before tax credits and \$0.70 billion or 35.0% of the total after tax credits.

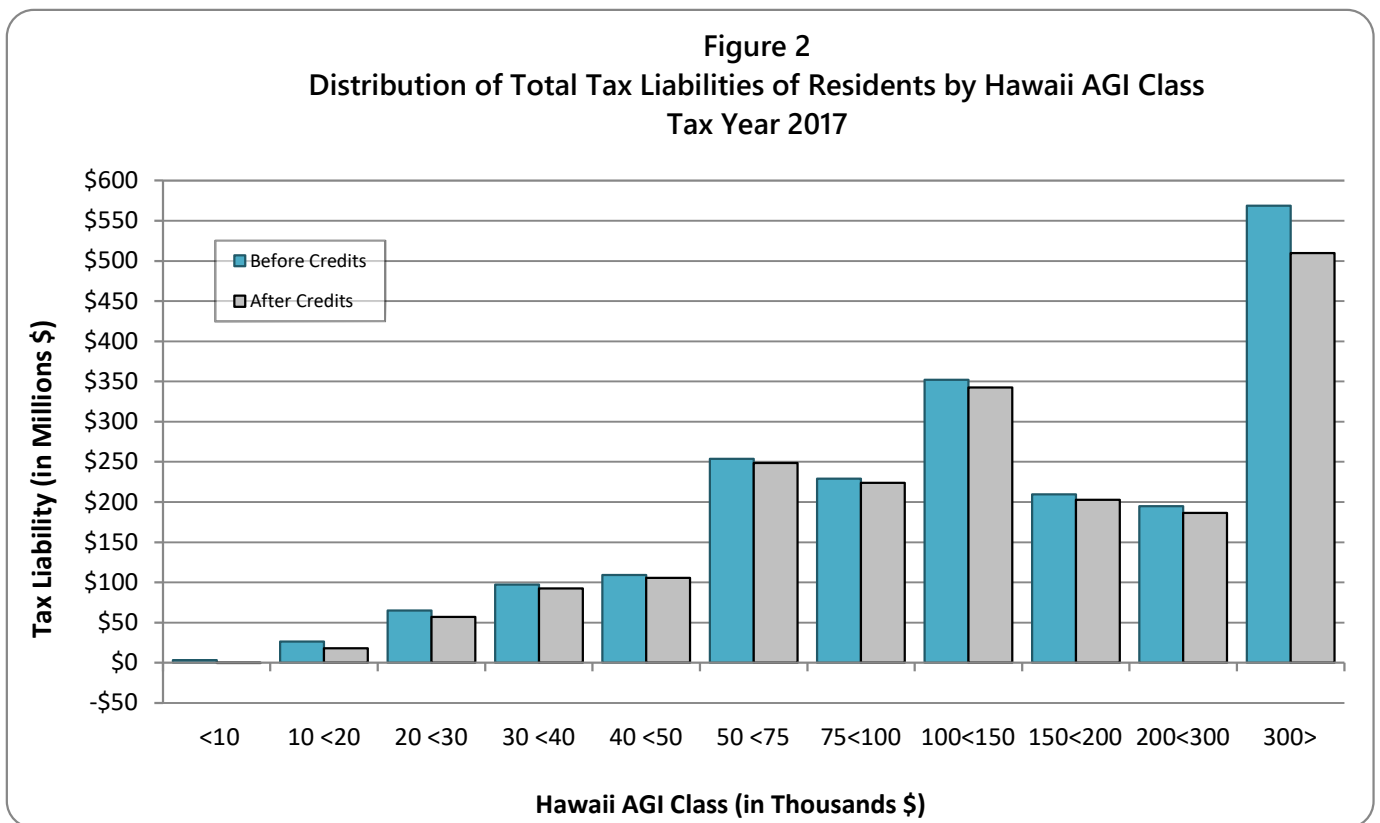


Figure 3 shows the ratio of the share of state tax Liability/the share of Hawaii AGI by Hawaii AGI Class for tax year 2017. The ratio is the share of the state tax liability for a given income bracket relative to the state income for the same income bracket. A score of 1 would suggest that the relative amount of tax liability for that tax bracket is the same as the share of Hawaii AGI.

For tax year 2017, the ratio increased from 0.20 for Hawaii AGI Class of \$10,000 and lower, to 1.00 for Hawaii AGI Class of \$100,000 to \$150,000, to 1.26 for Hawaii AGI Class of \$300,000 and higher, suggesting that for taxpayers with Hawaii AGI of \$150,000 or more that their share of taxes paid was higher than their share of Hawaii AGI. For taxpayers with Hawaii AGI of \$300,000 or more, their share of taxes paid was 26% larger than their share of Hawaii AGI.

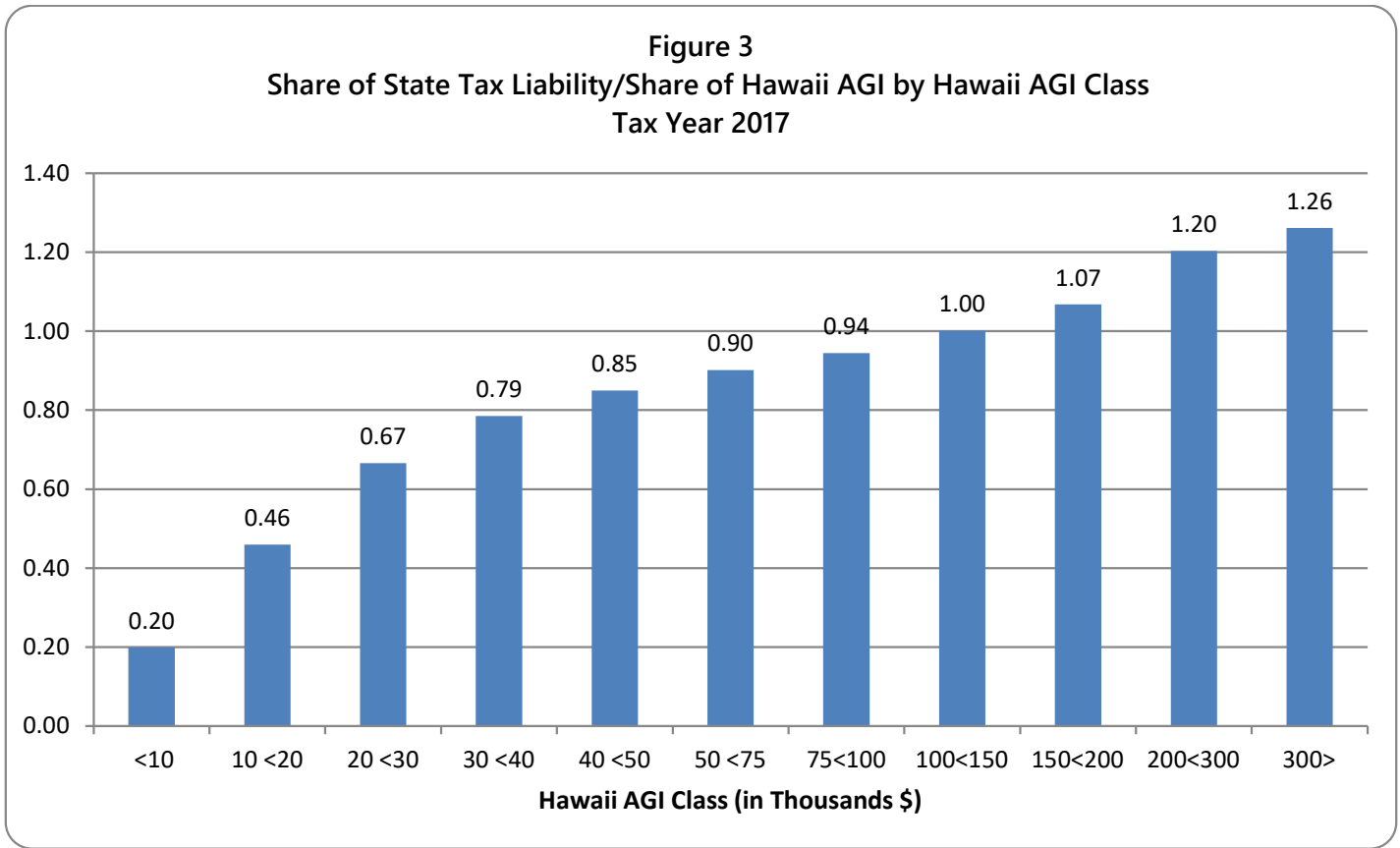
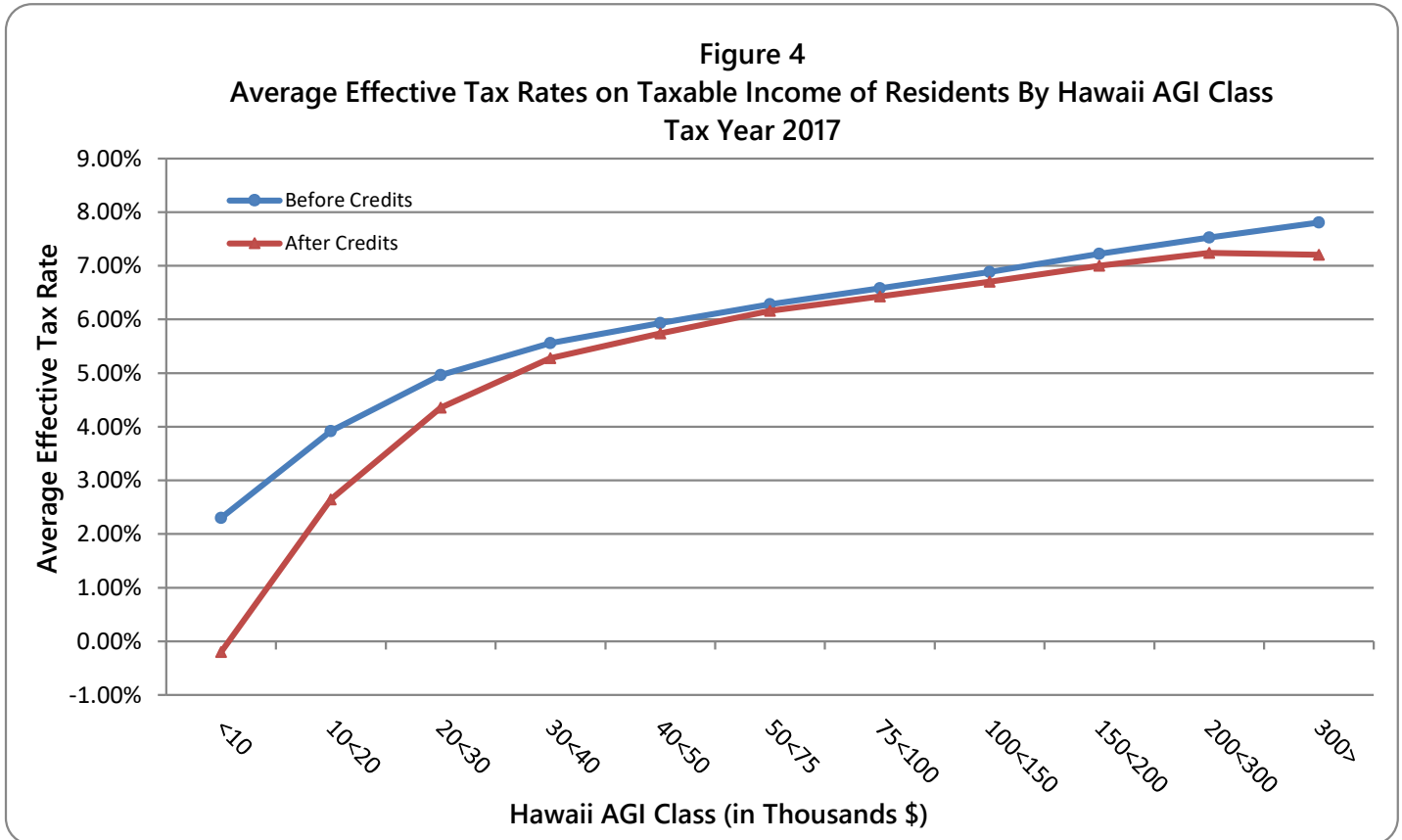


Figure 4 shows the average effective state tax rates for residents by income class. For taxpayers with Hawaii AGI between \$20,000 and \$30,000 who had taxable income, the average effective tax rate was 4.4% before tax credits, but 5.0% after tax credits. The change in the average effective tax rate caused by tax credits was greatest for residents with Hawaii AGI less than \$10,000, where tax credits caused the average effective rate on taxable returns to drop by 2.5 percentage points from positive 2.3% to negative 0.2%. 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 change of the average effective tax rate is greatest at the low and high ends of the income distribution. See Appendix Table A-6 for detailed data.



Highlights of Statistics from State Nonresident Tax Returns

Nonresidents, including those who were residents for only part of the tax year, use Form N-15 to file their Hawaii state income taxes. Table 6A shows Hawaii sources of income reported by Hawaii nonresident taxpayers in tax year 2017. Hawaii nonresidents reported \$1,452 million in total income from Hawaii sources in 2017, an increase of 2.0% over the \$1,423 million in total income in 2016. Salaries and wages totaled \$1,182 million, accounting for 81.4% of the total. Rents, Partnerships, and estates amounted to \$260 million, accounting for 17.9% of the total. Pensions and Annuities totaled \$17 million, accounting for 1.2% of the total.

Table 6A
Hawaii Sources of Income Reported by Nonresident Taxpayers in 2017
(In Thousands of Dollars)

Sources of Income	2017	2016	Difference	
			Amount	% Change
TOTAL	\$1,451,504	\$1,422,672	\$28,832	2.0%
Salaries and Wages	\$1,181,662	\$1,143,157	\$38,505	3.4%
Ordinary Dividends	21,234	26,698	-5,464	-20.5%
Interests	23,639	22,231	1,408	6.3%
Business Income.....	45,220	44,001	1,220	2.8%
Rents, Partnerships, and estates	259,522	222,494	37,029	16.6%
Unemployment Compensation.....	6,641	6,366	275	4.3%
Pensions and Annuities.....	16,773	15,367	1,406	9.1%
Capital gain and supplemental gain and other	-131,040	-81,855	-49,185	-60.1%
All Other Sources	27,852	24,213	3,639	15.0%

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

For tax year 2017, nonresidents filed 99,704 state individual income tax returns, representing 13.6% of the total number of 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 \$87.8 billion and Hawaii AGI of the nonresidents was \$1.4 billion. The Hawaii tax before credit was \$158 million, accounting for 7.5% of the total Hawaii tax paid by all residents. Appendix Table A-3 provides selected statistics from nonresident tax returns by Hawaii AGI class. Table 6B shows Total AGI, Hawaii AGI, Hawaii taxable income, and Hawaii tax liability before tax credits for nonresidents by total AGI class.

Table 6B
Selected Data from Nonresident Tax Returns By Total (Worldwide) AGI Class - 2017
(Dollar amounts are in millions)

Total AGI Class	No. Returns	Total AGI*	Hawaii AGI	Taxable Income	Hawaii Tax Pre-Credits	Hawaii Tax Credit
TAXABLE RETURNS						
Loss	246	-\$244	\$27	\$22	\$2	\$0.1
\$0 under \$5,000	2,499	\$7	\$41	\$37	\$2	\$0.0
\$5,000 under \$10,000	4,285	\$32	\$23	\$14	\$0	\$0.0
\$10,000 under \$20,000	7,928	\$118	\$70	\$51	\$2	\$0.1
\$20,000 under \$30,000	6,618	\$164	\$88	\$71	\$3	\$0.1
\$30,000 under \$40,000	5,249	\$183	\$88	\$72	\$4	\$0.1
\$40,000 under \$50,000	4,114	\$185	\$80	\$66	\$3	\$0.1
\$50,000 under \$75,000	7,339	\$452	\$185	\$154	\$8	\$0.2
\$75,000 under \$100,000	5,138	\$447	\$165	\$137	\$8	\$0.1
\$100,000 under \$150,000	6,196	\$757	\$259	\$223	\$14	\$0.3
\$150,000 under \$200,000	3,406	\$587	\$181	\$156	\$10	\$0.3
\$200,000 under \$300,000	3,456	\$842	\$233	\$214	\$15	\$0.3
\$300,000 and over	8,364	\$53,724	\$1,267	\$1,215	\$89	\$7.7
TOTAL TAXABLE RETURNS	64,838	\$57,254	\$2,706	\$2,432	\$158	\$9.4
NON-TAXABLE RETURNS						
Loss	2,633	-\$3,701	-\$436			\$0.4
\$0 under \$5,000	5,349	\$5	-\$20			\$0.1
\$5,000 under \$10,000	1,009	\$7	-\$2	NOT APPLICABLE		\$0.0
\$10,000 and over	25,875	\$34,229	-\$847			\$2.9
TOTAL NON-TAXABLE RETURNS	34,866	\$30,540	-\$1,306			\$3.4
TOTAL ALL RETURNS	99,704	\$87,794	\$1,400	\$2,432	\$158	\$13

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 6C shows for tax year 2017, 99,704 tax returns were filed by Hawaii nonresidents, an increase of 5.4% over the 94,592 filed for tax year 2016. Total Hawaii AGI reported by nonresidents amounted to \$1.40 billion for tax year 2017, up by 2.5% over the \$1.37 billion for tax year 2016.

Table 6C
Selected Data from Nonresident Tax Returns By Total (Worldwide) AGI Class - 2017 and 2016
(Dollar amounts are in millions)

Total AGI Class	2017		2016		Difference			
	No. Returns	Hawaii AGI	No. Returns	Hawaii AGI	No. Returns	% Change	Hawaii AGI	% Change
TAXABLE RETURNS								
Loss	246	\$27	257	\$25	-11	-4.3%	\$2	6.8%
\$0 under \$5,000	2,499	\$41	2,434	\$41	65	2.7%	\$0	-0.3%
\$5,000 under \$10,000	4,285	\$23	4,052	\$23	233	5.8%	\$1	2.3%
\$10,000 under \$20,000	7,928	\$70	7,587	\$67	341	4.5%	\$3	4.5%
\$20,000 under \$30,000	6,618	\$88	6,475	\$86	143	2.2%	\$2	2.6%
\$30,000 under \$40,000	5,249	\$88	5,069	\$83	180	3.6%	\$5	6.0%
\$40,000 under \$50,000	4,114	\$80	3,947	\$78	167	4.2%	\$2	2.2%
\$50,000 under \$75,000	7,339	\$185	7,284	\$179	55	0.8%	\$5	3.0%
\$75,000 under \$100,000	5,138	\$165	5,058	\$167	80	1.6%	-\$2	-1.5%
\$100,000 under \$150,000	6,196	\$259	6,014	\$252	182	3.0%	\$7	2.9%
\$150,000 under \$200,000	3,406	\$181	3,257	\$168	149	4.6%	\$13	7.6%
\$200,000 under \$300,000	3,456	\$233	3,148	\$208	308	9.8%	\$25	11.8%
\$300,000 and over	8,364	\$1,267	7,454	\$1,153	910	12.2%	\$114	9.9%
TOTAL TAXABLE RETURNS	64,838	\$2,706	62,036	\$2,531	2,802	4.5%	\$176	6.9%
NON-TAXABLE RETURNS								
Loss	2,633	-\$436	2,715	-\$345	-82	-3.0%	-\$91	-26.5%
\$0 under \$5,000	5,349	-\$20	5,174	-\$13	175	3.4%	-\$8	-61.8%
\$5,000 under \$10,000	1,009	-\$2	1,015	-\$1	-6	-0.6%	-\$1	-127.5%
\$10,000 and over	25,875	-\$847	23,652	-\$806	2,223	9.4%	-\$42	-5.2%
TOTAL NON-TAXABLE RETURNS	34,866	-\$1,306	32,556	-\$1,164	2,310	7.1%	-\$142	-12.2%
TOTAL ALL RETURNS	99,704	\$1,400	94,592	\$1,366	5,112	5.4%	\$34	2.5%

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

State 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. As shown in Appendix Table A-4, in tax year 2017, 66,185 nonresident tax returns had the standard deduction and 33,519 nonresident tax returns had allowable itemized deductions. The nonresidents claimed itemized deductions of \$917 million, yet their allowable itemized deductions were only \$907 million. Their prorated standard deductions totaled \$81 million and their prorated exemptions totaled \$60 million.

State Nonresident Taxable Income and Tax Liability

As shown in Table 6B, income and Hawaii tax liability of the nonresidents is heavily skewed towards the high end of the income distribution. Nonresidents with taxable returns reported \$2.43 billion in taxable income in 2017 on total Hawaii AGI of \$2.71 billion. Their total Hawaii tax liability before tax credits was \$158 million, of which \$89 million (56%) was owed by nonresidents with worldwide AGI of \$300,000 or more. Though not shown in Table 6B, nonresidents had total Hawaii tax liability after tax credits of \$145 million, including negative amounts of tax owed by nonresidents with nontaxable returns. The average tax liability before tax credits per nonresident return with taxable income was \$2,441 and the average net tax liability after tax credits was \$2,296.

Statistics from State Tax Returns of Residents Aged 65 or Older

Taxpayers aged 65 years or older may claim an extra personal exemption, the age exemption. A total of 196,232 age exemptions were claimed on 147,142 resident tax returns with the total age exemption cost of \$224 million in 2017⁵. The tax returns with the age exemption showed total Hawaii AGI of \$6.7 billion and total taxable income of \$5.4 billion. Around 54% of tax returns claiming an age exemption reported taxable income. Income taxes paid on the returns totaled \$377 million before tax credits and \$334 million after tax credits. The tax returns showed a total of \$159 million in standard deductions and a total of \$1.8 billion in itemized deductions.

State 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 \$1.5 billion in exempt Social Security benefits. Overall, the tax returns averaged \$45,290 in Hawaii AGI per return and \$2,269 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 - 2017

(Dollar amounts are in millions)

	Taxable Returns	Nontaxable Returns	Total
Number of Tax Returns	79,560	67,582	147,142
Total Age Exemptions	105,976	90,256	196,232
Total Age Exemption Cost	\$121	\$103	\$224
Hawaii AGI	\$6,837	-\$173	\$6,664
Standard Deductions	\$74	\$85	\$159
Itemized Deductions	\$1,039	\$778	\$1,817
Taxable Income	\$5,444	na	\$5,444
Tax Liability Before Credits	\$377	na	\$377
Tax Liability After Credits	\$341	-\$7	\$334
Number of Taxpayers Over 65	75,342	66,663	142,005
Number of Taxpayers' Spouses Over 65	30,634	23,593	54,227

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

⁵ Hawaii Taxpayers who are 65 or older may claim an additional regular personal exemption of \$1,144 (the age exemption) for tax year 2017.

Statistics from State 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 2017, a total of 4,935 disability exemptions were claimed on 5,066 resident tax returns with the total disability exemption cost of \$41 million. These tax returns showed Hawaii AGI of \$209 million, Hawaii taxable income of \$131 million, and Hawaii income taxes of \$8 million before tax credits and \$7.5 million after tax credits. Overall, the tax returns averaged \$ 42,442 in Hawaii AGI per return and \$1,524 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 - 2017

(Dollar amounts are in millions)

	Taxable Returns	Nontaxable Returns	Total
Number of Tax Returns	2,755	2,180	4,935
Total Disability Exemptions	2,812	2,254	5,066
Total Disability Exemption Cost	\$23	\$18	\$41
Hawaii AGI	\$194	\$16	\$209
Standard Deductions	\$3	\$2	\$6
Itemized Deductions	\$37	\$37	\$74
Taxable income	\$131	na	\$131
Tax Liability Before Credits	\$8	na	\$8
Tax Liability After Credits	\$8	-\$0.3	\$7.5
Number of Disabled Taxpayers	1,778	1,763	3,541
Number of Disabled Spouses	1,034	491	1,525

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

Statistics from State 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).

As shown in Table 9, a total of 32,241 dependents filed tax returns for 2017, around 4% of the total returns filed. Among that, 32,039 or 99% of tax returns were filed by single dependents. Their Hawaii AGI totaled \$249 million and their taxable income totaled \$187 million. Their tax returns had tax liability before tax credits of \$8.0 million and tax liability after tax credits of \$7.9 million. Overall, the tax returns averaged \$7,716 in Hawaii AGI per return and \$244 per return in tax after tax credits.

Table 9

Selected Data on Tax Returns of Dependent Resident - 2017 and 2016

(Dollar amounts are in millions)

	2017	2016	Growth Rate (%)
Number of Tax Returns	32,241	31,702	1.7%
Hawaii AGI	\$249	\$234	6.1%
Taxable income	\$187	\$174	7.1%
Tax Liability Before Credits	\$8.0	\$7.4	7.9%
Tax Liability After Credits	\$7.9	\$7.3	8.0%

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

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 10% of total taxable income.

Table 10 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 10
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		Tax Liability	
	Residents	Nonresidents	Residents	Nonresidents	Residents	Nonresidents
Less than \$5,000	-	-	-	-	-	-
\$5,000 under \$10,000	-	-	-	-	\$3.1	\$1.6
\$10,000 under \$20,000	-	-	-	-	\$26.4	\$5.5
\$20,000 under \$30,000	-	-	-	-	\$64.9	\$6.7
\$30,000 under \$40,000	\$4.5	\$1.0	0.3%	0.9%	\$97.4	\$6.5
\$40,000 under \$50,000	\$8.7	\$1.6	0.5%	1.5%	\$109.2	\$5.8
\$50,000 under \$75,000	\$34.6	\$8.0	0.9%	4.0%	\$253.7	\$12.4
\$75,000 under \$100,000	\$52.2	\$12.2	1.5%	7.9%	\$229.2	\$10.2
\$100,000 under \$150,000	\$119.2	\$32.1	2.3%	15.1%	\$352.2	\$14.7
\$150,000 under \$200,000	\$112.3	\$33.3	3.9%	24.5%	\$209.7	\$9.8
\$200,000 under \$300,000	\$183.5	\$52.6	7.1%	31.2%	\$195.0	\$12.4
\$300,000 and over	\$2,330.1	\$475.7	31.8%	49.5%	\$568.9	\$72.2
Total	\$2,845.3	\$616.6	9.1%	25.4%	\$2,110.1	\$158.3

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 - TAX YEAR 2017
(\$ in thousands)

Hawaii AGI CLASS	Number of Returns		Hawaii AGI		Taxable Income		Tax Liability			
	Number	%	Amount	%	Amount	%	Amount	%		
TAXABLE RESIDENT RETURNS										
\$0 under \$5,000	13,845	2.6%	\$49,920	0.1%	\$15,765	0.1%	\$243	0.0%		
\$5,000 under \$10,000	33,675	6.3%	\$254,678	0.7%	\$130,213	0.4%	\$3,112	0.1%		
\$10,000 under \$20,000	69,516	13.1%	\$1,039,008	2.7%	\$674,682	2.2%	\$26,425	1.3%		
\$20,000 under \$30,000	70,491	13.3%	\$1,761,098	4.6%	\$1,309,322	4.2%	\$64,942	3.1%		
\$30,000 under \$40,000	64,230	12.1%	\$2,239,710	5.9%	\$1,751,926	5.6%	\$97,406	4.6%		
\$40,000 under \$50,000	51,741	9.7%	\$2,320,183	6.1%	\$1,840,431	5.9%	\$109,171	5.2%		
\$50,000 under \$75,000	83,013	15.6%	\$5,079,581	13.3%	\$4,040,070	13.0%	\$253,689	12.0%		
\$75,000 under \$100,000	50,551	9.5%	\$4,381,584	11.5%	\$3,484,246	11.2%	\$229,232	10.9%		
\$100,000 under \$150,000	52,479	9.9%	\$6,350,304	16.7%	\$5,113,405	16.4%	\$352,186	16.7%		
\$150,000 under \$200,000	20,695	3.9%	\$3,545,629	9.3%	\$2,904,326	9.3%	\$209,720	9.9%		
\$200,000 under \$300,000	12,297	2.3%	\$2,924,795	7.7%	\$2,591,081	8.3%	\$195,017	9.2%		
\$300,000 and over	9,328	1.8%	\$8,142,648	21.4%	\$7,329,597	23.5%	\$568,926	27.0%		
TOTAL - TAXABLE RETURNS	531,861	100.0%	\$38,089,138	100.0%	\$31,185,064	100.0%	\$2,110,069	100.0%		
NON-TAXABLE RESIDENT RETURNS										
Loss	12,848	12.5%	-\$769,244							
\$0 under \$5,000	66,988	65.0%	\$74,996							
\$5,000 under \$10,000	10,906	10.6%	\$77,888							NOT APPLICABLE
\$10,000 and over	12,366	12.0%	\$287,995							
TOTAL - NONTAXABLE RETURNS	103,108	100.0%	-\$328,365							
TOTAL ALL RESIDENT RETURNS	634,969		\$37,760,773		\$31,185,064		\$2,110,069			

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

TABLE A-2
SELECTED DATA ON ALL TAX RETURNS, BY FILING STATUS AND BY HAWAII AGI CLASS - 2017
(\$ in thousands)

Hawaii AGI Class	Number of Returns			Hawaii AGI		
	Single*	H/H**	Joint	Single*	H/H**	Joint
TAXABLE RESIDENT RETURNS						
\$0 under \$10,000	43,783	2,583	1,154	\$273,242	\$21,128	\$10,228
\$10,000 under \$20,000	49,618	10,217	9,681	\$735,117	\$154,718	\$149,173
\$20,000 under \$30,000	45,199	12,321	12,971	\$1,125,524	\$309,790	\$325,784
\$30,000 under \$40,000	38,322	12,024	13,884	\$1,334,756	\$418,895	\$486,058
\$40,000 under \$50,000	29,456	8,687	13,598	\$1,319,755	\$388,433	\$611,996
\$50,000 under \$75,000	39,723	10,875	32,415	\$2,400,020	\$657,837	\$2,021,724
\$75,000 under \$100,000	16,119	4,504	29,928	\$1,385,191	\$386,635	\$2,609,757
\$100,000 under \$150,000	10,036	2,862	39,581	\$1,184,694	\$337,303	\$4,828,307
\$150,000 under \$200,000	2,375	584	17,736	\$405,979	\$99,869	\$3,039,781
\$200,000 under \$300,000	1,634	311	10,352	\$391,856	\$74,784	\$2,458,155
\$300,000 and over	1,555	268	7,505	\$1,365,522	\$409,018	\$6,368,108
TOTAL TAXABLE RETURNS	277,820	65,236	188,805	\$11,921,656	\$3,258,411	\$22,909,071
NON-TAXABLE RESIDENT RETURNS						
Loss	7,488	430	4,930	-\$275,695	-\$23,996	-\$469,553
\$0 under \$5,000	49,052	2,990	14,946	\$49,892	\$5,424	\$19,680
\$5,000 under \$10,000	4,085	931	5,890	\$29,258	\$6,157	\$42,473
\$10,000 and over	4,175	580	7,611	\$100,519	\$12,380	\$175,096
TOTAL NONTAXABLE RETURNS	64,800	4,931	33,377	-\$96,027	-\$34	-\$232,304
TOTAL ALL RESIDENT RETURNS	342,620	70,167	222,182	\$11,825,629	\$3,258,377	\$22,676,768
TOTAL ALL NONRESIDENT RETURNS	48,570	3,916	47,218	\$692,625	\$37,775	\$669,867
TOTAL ALL RETURNS	391,190	74,083	269,400	\$12,518,254	\$3,296,152	\$23,346,635

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

*Includes returns for single and married individuals filing separately.

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

TABLE A-2 (Continued)
SELECTED DATA ON ALL TAX RETURNS, BY FILING STATUS AND BY HAWAII AGI CLASS - 2017
(\$ in thousands)

Hawaii AGI Class	Taxable Income			Tax Liability		
	Single*	H/H**	Joint	Single*	H/H**	Joint
TAXABLE RESIDENT RETURNS						
\$0 under \$10,000	\$138,832	\$5,815	\$1,331	\$3,251	\$86	\$19
\$10,000 under \$20,000	\$529,065	\$87,354	\$58,263	\$22,574	\$2,633	\$1,218
\$20,000 under \$30,000	\$907,583	\$222,326	\$179,412	\$48,867	\$9,865	\$6,210
\$30,000 under \$40,000	\$1,117,455	\$324,086	\$310,385	\$67,097	\$16,752	\$13,558
\$40,000 under \$50,000	\$1,111,279	\$308,818	\$420,334	\$70,931	\$17,456	\$20,784
\$50,000 under \$75,000	\$2,010,781	\$526,921	\$1,502,368	\$136,482	\$32,450	\$84,757
\$75,000 under \$100,000	\$1,153,052	\$309,134	\$2,022,061	\$82,880	\$20,550	\$125,801
\$100,000 under \$150,000	\$1,040,745	\$270,011	\$3,802,649	\$77,921	\$19,035	\$255,230
\$150,000 under \$200,000	\$361,522	\$86,806	\$2,455,998	\$27,696	\$6,476	\$175,549
\$200,000 under \$300,000	\$354,330	\$67,399	\$2,169,352	\$27,513	\$5,148	\$162,355
\$300,000 and over	\$1,262,897	\$344,216	\$5,722,484	\$99,350	\$26,056	\$443,520
TOTAL TAXABLE RETURNS	\$9,987,543	\$2,552,885	\$18,644,636	\$664,561	\$156,507	\$1,289,001
NON-TAXABLE RESIDENT RETURNS						
Loss						
\$0 under \$5,000						
\$5,000 under \$10,000						
\$10,000 and over						
TOTAL NON-TAXABLE RETURNS						
TOTAL ALL RESIDENT RETURNS	\$9,987,543	\$2,552,885	\$18,644,636	\$664,561	\$156,507	\$1,289,001
TOTAL ALL NONRESIDENT RETURNS	\$944,309	\$70,272	\$1,417,544	\$61,322	\$4,172	\$92,809
TOTAL ALL RETURNS	\$10,931,852	\$2,623,157	\$20,062,180	\$725,884	\$160,679	\$1,381,810

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

*Includes returns for single and married individuals filing separately.

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

TABLE A-3
NUMBER OF DEPENDENTS, NUMBER OF EXEMPTIONS, TAX WITHHELD, PAYMENTS OF DECLARATION, AMOUNTS DUE, AND REFUNDS AND CARRIED FORWARD
CREDITS BY HAWAII AGI CLASS - 2017
(\$ in thousands)

Hawaii AGI Class	Dependents		Exemptions			Tax Withheld	
	No. Returns	No. Dependents	No. Returns	No. Exemptions	Amount	No. Returns	Amount
TAXABLE RESIDENT RETURNS							
\$0 under \$5,000	98	98	4,699	5,198	\$5,947	11,159	\$1,536
\$5,000 under \$10,000	4,211	5,629	24,786	36,596	\$41,929	25,583	\$7,813
\$10,000 under \$20,000	16,907	29,087	63,169	117,834	\$136,298	54,992	\$37,126
\$20,000 under \$30,000	19,784	35,271	69,116	132,567	\$153,759	61,646	\$78,087
\$30,000 under \$40,000	19,294	34,436	63,852	124,898	\$144,904	58,461	\$111,336
\$40,000 under \$50,000	15,430	27,325	51,627	102,738	\$119,456	47,809	\$122,073
\$50,000 under \$75,000	27,999	50,223	82,935	181,849	\$210,900	77,070	\$272,279
\$75,000 under \$100,000	21,333	39,346	50,532	129,354	\$149,357	47,434	\$238,395
\$100,000 under \$150,000	26,425	49,279	52,474	150,843	\$173,969	49,283	\$347,760
\$150,000 under \$200,000	11,479	21,322	20,691	63,888	\$73,443	19,259	\$191,425
\$200,000 under \$300,000	6,388	11,619	12,295	37,676	\$43,298	10,845	\$142,910
\$300,000 and over	4,109	7,599	9,318	28,479	\$32,844	7,474	\$197,158
TOTAL TAXABLE RETURNS	173,457	311,234	505,494	1,111,920	\$1,286,103	471,015	\$1,747,897
NON-TAXABLE RESIDENT RETURNS							
Loss	1,283	1,933	12,554	30,346	\$35,861	1,961	\$2,773
\$0 under \$5,000	5,317	8,130	61,420	137,531	\$162,077	14,177	\$1,721
\$5,000 under \$10,000	2,010	4,063	10,887	32,834	\$39,564	3,322	\$1,108
\$10,000 and over	2,001	3,602	12,352	37,921	\$46,517	4,282	\$4,838
TOTAL NONTAXABLE RETURNS	10,611	17,728	97,213	238,632	\$284,020	23,742	\$10,440
TOTAL ALL RESIDENT RETURNS	184,068	328,962	602,707	1,350,552	\$1,570,123	494,757	\$1,758,338
TOTAL ALL NONRESIDENT RETURNS	25,846	47,481	94,245	216,719	\$59,663	47,216	\$81,156
TOTAL ALL RETURNS	209,914	376,443	696,952	1,567,271	\$1,629,786	541,973	\$1,839,493

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

TABLE A-3 (Continued)
NUMBER OF DEPENDENTS, NUMBER OF EXEMPTIONS, TAX WITHHELD, PAYMENTS OF DECLARATION, AMOUNTS DUE, AND REFUNDS AND CARRIED
FORWARD CREDITS BY HAWAII AGI CLASS - 2017

(\$ in thousands)

Hawaii AGI Class	Payments of Declaration*		Amounts Due**		Refunds and Amounts Credited***	
	No. Returns	Amount	No. Returns	Amount	No. Returns	Amount
TAXABLE RESIDENT RETURNS						
\$0 under \$5,000	189	\$50	1,507	\$45	12,203	\$1,873
\$5,000 under \$10,000	621	\$325	3,312	\$220	30,157	\$8,407
\$10,000 under \$20,000	2,544	\$1,794	11,309	\$2,555	57,875	\$23,590
\$20,000 under \$30,000	3,424	\$3,573	11,047	\$4,635	59,107	\$29,283
\$30,000 under \$40,000	3,398	\$4,696	11,117	\$6,047	52,827	\$29,563
\$40,000 under \$50,000	3,052	\$5,246	9,323	\$6,319	42,217	\$28,022
\$50,000 under \$75,000	6,211	\$14,864	18,178	\$16,090	64,566	\$54,458
\$75,000 under \$100,000	4,681	\$15,229	12,314	\$14,689	38,092	\$44,488
\$100,000 under \$150,000	6,464	\$28,477	14,387	\$22,934	37,928	\$56,653
\$150,000 under \$200,000	3,833	\$25,018	5,792	\$15,812	14,829	\$29,307
\$200,000 under \$300,000	4,266	\$42,022	5,651	\$21,777	6,573	\$20,160
\$300,000 and over	5,793	\$364,923	3,857	\$48,108	5,374	\$100,262
TOTAL TAXABLE RETURNS	44,476	\$506,218	107,794	\$159,230	421,748	\$426,067
NON-TAXABLE RESIDENT RETURNS						
Loss	657	\$2,548	d	d	9,416	\$8,031
\$0 under \$5,000	763	\$923	d	d	53,498	\$10,011
\$5,000 under \$10,000	468	\$562	d	d	7,693	\$3,325
\$10,000 and over	1,263	\$4,510	d	d	7,897	\$10,849
TOTAL NONTAXABLE RETURNS	3,151	\$8,544	48	\$1	78,504	\$32,217
TOTAL ALL RESIDENT RETURNS	47,627	\$514,762	107,842	\$159,231	500,252	\$458,284
TOTAL ALL NONRESIDENT RETURNS	12,156	\$168,625	16,448	\$21,123	55,361	\$125,441
TOTAL ALL RETURNS	59,783	\$683,387	124,290	\$180,355	555,613	\$583,725

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 the tax liability after tax credits less tax withheld and less payments of declaration.

***Equal to the sum of refunds plus amounts credited to the 2017 estimated taxes and plus check-box donations to school repair, public library, and domestic violence funds.

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

TABLE A-4
AVERAGE TAX LIABILITIES AND EFFECTIVE TAX RATES FOR RESIDENT RETURNS,
BEFORE AND AFTER TAX CREDITS, BY HAWAII AGI CLASS - 2017
(\$ 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		
TAXABLE RESIDENT RETURNS										
\$0 under \$5,000	\$243	\$0	-\$242	\$0	1.5%	-1.5%	1.5%	-0.5%		
\$5,000 under \$10,000	\$3,112	\$0	-\$49	\$0	2.4%	0.0%	2.4%	0.0%		
\$10,000 under \$20,000	\$26,425	\$0	\$17,885	\$0	3.9%	2.7%	3.9%	1.7%		
\$20,000 under \$30,000	\$64,942	\$1	\$57,012	\$1	5.0%	4.4%	5.0%	3.2%		
\$30,000 under \$40,000	\$97,406	\$2	\$92,515	\$1	5.6%	5.3%	5.6%	4.1%		
\$40,000 under \$50,000	\$109,171	\$2	\$105,615	\$2	5.9%	5.7%	5.9%	4.6%		
\$50,000 under \$75,000	\$253,689	\$3	\$248,773	\$3	6.3%	6.2%	6.3%	4.9%		
\$75,000 under \$100,000	\$229,232	\$5	\$223,825	\$4	6.6%	6.4%	6.6%	5.1%		
\$100,000 under \$150,000	\$352,186	\$7	\$342,519	\$7	6.9%	6.7%	6.9%	5.4%		
\$150,000 under \$200,000	\$209,720	\$10	\$202,947	\$10	7.2%	7.0%	7.2%	5.7%		
\$200,000 under \$300,000	\$195,017	\$16	\$186,550	\$15	7.5%	7.2%	7.5%	6.4%		
\$300,000 and over	\$568,926	\$61	\$509,927	\$55	7.8%	7.0%	7.8%	6.3%		
TOTAL TAXABLE RETURNS	\$2,110,069	\$4	\$1,987,277	\$4	6.8%	6.4%	6.8%	5.2%		
NON-TAXABLE RESIDENT RETURNS										
Loss			-\$2,710	-\$0.2						
\$0 under \$5,000			-\$7,366	-\$0.1						
\$5,000 under \$10,000	NOT APPLICABLE		-\$1,655	-\$0.2			NOT APPLICABLE			
\$10,000 and over			-\$1,501	-\$0.1						
TOTAL NONTAXABLE RETURNS			-\$13,232	-\$0.1						
TOTAL ALL RESIDENT RETURNS	\$2,110,069	\$3.3	\$1,974,045	\$3.1						

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

TABLE A-5
NUMBER OF RETURNS FILED, BY NUMBER OF EXEMPTIONS CLAIMED AND BY ADJUSTED GROSS INCOME CLASS - 2017

ADJUSTED GROSS INCOME CLASS				NUMBER OF REGULAR EXEMPTIONS CLAIMED						AGE EXEMPTIONS CLAIMED		
				One	Two	Three	Four	Five	Six or more	One	Two	
<u>RESIDENT RETURNS</u>												
	Loss			7,099	9,152	1,542	976	445	212	5,222	5,698	
	0	Under	\$ 5,000	47,155	32,528	5,151	2,580	1,010	895	31,622	21,788	
\$	5,000	"	10,000	23,615	18,158	5,478	2,992	1,395	810	8,552	8,430	
	10,000	"	20,000	42,768	34,782	17,925	11,800	5,395	3,336	12,041	12,784	
	20,000	"	30,000	42,243	34,196	19,893	14,268	7,390	4,711	8,304	9,880	
	30,000	"	40,000	36,836	31,800	19,002	13,756	7,805	5,022	6,407	7,382	
	40,000	"	50,000	28,752	26,926	14,643	11,984	6,435	4,828	4,961	5,684	
	50,000	"	75,000	38,808	47,920	28,638	26,044	14,740	10,287	7,756	8,858	
	75,000	"	100,000	15,895	33,084	23,589	25,392	13,525	8,640	4,378	5,288	
	100,000	"	150,000	9,828	36,764	29,316	37,400	18,515	9,697	4,237	5,324	
	150,000	"	200,000	2,332	14,652	12,639	18,960	7,980	3,235	1,751	2,396	
	200,000	"	300,000	1,587	9,144	7,200	10,800	4,185	1,399	1,339	2,086	
	300,000	and over		1,500	7,872	4,284	6,956	2,790	1,034	1,482	2,582	
TOTAL - RESIDENT RETURNS				298,418	336,978	189,300	183,908	91,610	54,106	98,052	98,180	
TOTAL - NONRESIDENT RETURNS				41,741	59,906	27,732	34,344	16,960	8,470	11,125	16,432	
TOTAL - ALL RETURNS				340,159	396,884	217,032	218,252	108,570	62,576	109,177	114,612	

NOTE: Excludes returns filed by dependents who may be claimed by another taxpayer.

TABLE A-6
COMPARISON OF NUMBER OF RESIDENT RETURNS, BEFORE AND AFTER CREDITS, AT SELECTED TAX LEVELS, AGI, AND BY STATUS - 2017

ADJUSTED GROSS INCOME CLASS	No Tax		\$1 - \$99		\$100 - \$499		\$500 - \$999		\$1,000 and over	
	Before	After	Before	After	Before	After	Before	After	Before	After
<u>SINGLE/MARRIED</u>										
<u>FILING SEPARATE RETURNS</u>										
Loss	7,484	7,486	d	d	.	.	.	.	d	d
\$ 0 under \$ 5,000	49,597	53,651	13,231	9,180	57	54	d	d	d	d
5,000 " 20,000	6,770	21,226	19,331	13,862	39,316	34,823	20,842	16,349	11	10
20,000 and over	1,563	2,707	d	d	2,467	2,915	d	d	165,049	160,279
TOTAL	65,414	85,070	33,258	23,741	41,840	37,792	37,044	35,725	165,064	160,292
<u>JOINT RETURNS</u>										
Loss	4,926	4,927	d	d	.	.	.	.	.	.
\$ 0 under \$ 5,000	14,936	14,944	d	d	d	d	.	.	.	.
5,000 " 20,000	10,491	17,305	5,904	2,358	d	d	d	d	.	.
20,000 and over	3,100	7,582	2,190	2,277	7,872	9,235	d	d	155,090	150,292
TOTAL	33,453	44,758	8,110	4,642	12,728	10,824	44,758	11,666	155,090	150,292
<u>HEAD OF HOUSEHOLD RETURNS*</u>										
Loss	430	430	.	.	.	.	.	.	.	.
\$ 0 under \$ 5,000	2,989	2,996	d	d	.	.	.	.	.	.
5,000 " 20,000	1,335	8,885	4,146	1,601	7,949	3,578	664	30	.	.
20,000 and over	213	1,254	d	d	1,156	3,952	9,693	9,611	41,385	37,391
TOTAL	4,967	13,565	4,353	2,040	9,105	7,530	10,357	9,641	41,385	37,391
<u>ALL RETURNS</u>										
Loss	12,840	12,843	d	d	.	.	.	.	d	d
\$ 0 under \$ 5,000	67,522	71,591	13,250	9,184	d	d	d	d	d	d
5,000 " 20,000	18,596	47,416	29,381	17,821	52,120	39,989	d	d	11	10
20,000 and over	4,876	11,543	d	d	d	d	38,692	40,650	361,524	347,962
TOTAL	103,834	143,393	45,721	30,423	63,673	56,146	60,202	57,032	361,539	347,975

Note: Details may not add to totals due to rounding. *Includes qualifying surviving spouses.

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

TABLE A-7
TYPE OF RETURN FILED BY THOSE WITH ADJUSTED GROSS INCOME UNDER \$100,000,
SHOWING NUMBER OF RETURNS, ADJUSTED GROSS INCOME, AND TAX LIABILITY BY STATUS - 2017
(\$ in thousands)

ADJUSTED GROSS INCOME CLASS	FORM N-11 RETURNS			FORM N-15 RETURNS		
	No. of Returns	Adjusted Gross Income	Tax Liability	No. of Returns	Adjusted Gross Income	Tax Liability
<u>ALL RETURNS</u>						
\$ Loss	12,848	\$ (769,244)	\$ -	13,796	\$ (1,335,174)	\$ -
Zero	18,189	-	-	16,314	-	-
\$ 1 under 1,000	22,186	6,271	1	5,735	2,327	21
1,000 "	40,458	118,646	242	14,803	42,481	438
5,000 "	44,581	332,565	3,113	11,854	86,555	1,576
10,000 "	40,144	499,436	9,311	7,581	93,360	2,493
15,000 "	36,892	645,451	17,113	5,293	91,840	3,057
20,000 "	73,128	1,824,890	64,942	6,893	169,321	6,654
30,000 "	65,228	2,273,897	97,406	4,215	146,014	6,523
40,000 "	52,240	2,342,431	109,171	2,704	120,834	5,821
50,000 "	39,860	2,181,899	106,842	1,875	102,700	5,194
60,000 "	43,576	2,923,240	146,846	1,999	134,254	7,182
75,000 "	50,704	4,394,746	229,232	2,074	178,465	10,154
TOTAL	540,034	\$ 16,774,227 ¹	\$ 784,221	95,136	(167,023) ¹	\$ 49,114

See end of table for footnotes.

TABLE A-7 (Continued)
TYPE OF RETURN FILED BY THOSE WITH ADJUSTED GROSS INCOME UNDER \$100,000,
SHOWING NUMBER OF RETURNS, ADJUSTED GROSS INCOME, AND TAX LIABILITY BY STATUS - 2017
(\$ in thousands)

ADJUSTED GROSS INCOME CLASS	FORM N-11 RETURNS			FORM N-15 RETURNS		
	No. of Returns	Adjusted Gross Income	Tax Liability	No. of Returns	Adjusted Gross Income	Tax Liability
<u>SINGLE RETURNS</u> ²						
\$ Loss	7,488	\$ (275,695)	\$ -	4,766	\$ (357,952)	\$ -
Zero	14,096	-	-	7,308	-	-
1 under 1,000	16,399	4,673	1	3,045	1,281	11
,000 " 5,000	32,393	95,100	242	9,160	26,370	280
5,000 " 10,000	34,032	252,618	3,008	7,182	52,414	1,123
10,000 " 15,000	27,917	346,381	8,364	4,254	52,179	1,691
15,000 " 20,000	24,321	425,240	14,210	2,958	51,191	2,012
20,000 " 30,000	45,950	1,143,548	48,867	3,524	86,115	3,979
30,000 " 40,000	38,621	1,345,048	67,097	1,901	65,688	3,439
40,000 " 50,000	29,643	1,328,146	70,931	1,122	50,068	2,782
50,000 " 60,000	20,998	1,147,491	63,965	657	35,885	2,078
60,000 " 75,000	18,908	1,263,531	72,517	712	47,842	2,875
75,000 " 100,000	16,190	1,391,264	82,880	617	52,848	3,383
TOTAL	326,956	\$ 8,467,343 ¹	\$ 432,082	47,206	\$ 163,928 ¹	\$ 23,653

See end of table for footnotes.

TABLE A-7 (Continued)
TYPE OF RETURN FILED BY THOSE WITH ADJUSTED GROSS INCOME UNDER \$100,000,
SHOWING NUMBER OF RETURNS, ADJUSTED GROSS INCOME, AND TAX LIABILITY BY STATUS - 2017
(\$ in thousands)

ADJUSTED GROSS INCOME CLASS	FORM N-11 RETURNS			FORM N-15 RETURNS		
	No. of Returns	Adjusted Gross Income	Tax Liability	No. of Returns	Adjusted Gross Income	Tax Liability
<u>HEAD OF HOUSEHOLD RETURNS³</u>						
\$ Loss	430	\$ (23,996)	\$ -	403	\$ (46,935)	\$ -
Zero	607	-	-	423	-	0
1 under 1,000	667	190	-	168	79	1
1,000 "	1,722	5,262	0	583	1,744	14
5,000 "	3,508	27,257	86	555	4,147	55
10,000 "	5,145	64,413	684	448	5,569	114
15,000 "	5,441	95,466	1,950	268	4,691	135
20,000 "	12,440	312,652	9,865	373	9,209	325
30,000 "	12,068	420,409	16,752	211	7,268	306
40,000 "	8,713	389,600	17,456	128	5,708	268
50,000 "	5,640	307,844	14,787	84	4,604	235
60,000 "	5,250	350,885	17,663	72	4,826	248
75,000 "	4,510	387,174	20,550	79	6,792	376
TOTAL	66,141	\$ 2,337,156 ¹	\$ 99,792	3,795	\$ 7,702 ¹	\$ 2,077

See end of table for footnotes.

TABLE A-7 (Continued)
TYPE OF RETURN FILED BY THOSE WITH ADJUSTED GROSS INCOME UNDER \$100,000,
SHOWING NUMBER OF RETURNS, ADJUSTED GROSS INCOME, AND TAX LIABILITY BY STATUS - 2017
(\$ in thousands)

ADJUSTED GROSS INCOME CLASS	FORM N-11 RETURNS			FORM N-15 RETURNS		
	No. of Returns	Adjusted Gross Income	Tax Liability	No. of Returns	Adjusted Gross Income	Tax Liability
<u>JOINT RETURNS</u>						
\$ Loss	4,930	\$ (469,553)	\$ -	8,627	\$ (930,288)	\$ -
Zero	3,486	-	0	8,583	-	2
1 under 1,000	5,120	1,408	0	2,522	968	9
1,000 "	6,343	18,285	0	5,060	14,367	144
5,000 "	7,041	52,690	19	4,117	29,994	398
10,000 "	7,082	88,642	264	2,879	35,612	689
15,000 "	7,130	124,745	954	2,067	35,958	909
20,000 "	14,738	368,690	6,210	2,996	73,998	2,350
30,000 "	14,539	508,440	13,558	2,103	73,059	2,778
40,000 "	13,884	624,686	20,784	1,454	65,058	2,771
50,000 "	13,222	726,564	28,090	1,134	62,211	2,881
60,000 "	19,418	1,308,824	56,666	1,215	81,586	4,059
75,000 "	30,004	2,616,308	125,801	1,378	118,825	6,395
TOTAL	146,937	\$ 5,969,728 ¹	\$ 252,348	44,135	\$ (338,653) ¹	\$ 23,386

¹ Includes losses.

² Includes married filing separately.

³ Includes qualifying surviving spouse.

TABLE A-8
TYPE AND AMOUNT OF DEDUCTIONS 2008 - 2017
(\$ in millions)

TYPE OF DEDUCTIONS	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Itemized Deductions:										
Contributions	\$ 654	\$ 890	\$ 706	\$ 722	\$ 722	\$ 915	\$ 958	\$1,241	\$ 1,077	1,183
Interest	2,925	2,777	2,590	2,715	2,659	2,460	2,582	2,424	2,262	2,663
Taxes	2,413	1,990	2,037	1,748	1,526	1,674	1,908	1,941	1,804	1,925
Medical and Dental	467	497	524	556	549	538	547	565	600	615
Casualty Losses	15	12	7	8	5	6	9	5	5	11
Miscellaneous	593	548	586	577	549	638	659	589	645	686
Total Reported	\$ 7,067	\$ 6,714	\$ 6,450	\$ 6,326	\$ 6,010	\$ 6,230	\$ 6,664	\$6,766	\$ 6,394	\$ 7,081
Itemized Deductions Disallowed	1,084	679	653	995	892	715	954	997	157	190
Itemized Deduction Allowed	\$ 5,984	\$ 6,035	\$ 5,797	\$ 5,331	\$ 5,118	\$ 5,515	\$ 5,710	\$5,769	\$ 6,237	\$ 6,892
Standard Deductions	\$ 600	\$ 596	\$ 621	\$ 727	\$ 734	\$ 851	\$ 852	\$ 861	\$ 840	\$ 987

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

TABLE A-9
TYPE AND NUMBER OF RETURNS FILED IN EACH TAXATION DISTRICT, 2007 - 2017

TYPE OF RETURN	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>First Taxation District</u>											
Form N-11	409,484	405,347	402,324	407,925	414,141	414,505	423,395	426,020	427,533	440,767	447,859
Form N-13	27,375	27,962	24,683	21,265	19,497	18,877	17,753	14,614	12,045	-	-
Form N-15	71,414	70,471	64,910	68,526	69,588	73,280	79,403	80,721	87,098	89,317	94,051
TOTAL - FIRST DISTRICT	508,273	503,780	491,917	497,716	503,226	506,662	520,551	521,355	526,676	530,084	541,910
<u>Second Taxation District</u>											
Form N-11	57,406	57,737	57,548	59,232	61,093	62,229	65,083	67,622	71,878	74,941	73,986
Form N-13	3,085	2,960	2,489	2,076	1,849	1,815	1,842	1,563	1,341	-	-
Form N-15	1,793	1,560	1,404	1,598	1,596	1,675	1,801	1,792	2,127	2,058	2,274
TOTAL - SECOND DISTRICT	62,284	62,257	61,441	62,906	64,538	65,719	68,726	70,977	75,346	76,999	76,260
<u>Third Taxation District</u>											
Form N-11	65,345	64,672	64,451	65,659	67,320	68,078	70,364	72,848	77,148	81,550	80,831
Form N-13	5,061	4,943	4,316	4,127	4,009	3,768	3,607	3,094	2,754	-	-
Form N-15	1,814	1,709	1,501	1,552	1,627	1,756	1,995	2,018	2,216	2,313	2,409
TOTAL - THIRD DISTRICT	72,220	71,324	70,268	71,338	72,956	73,602	75,966	77,960	82,118	83,863	83,240
<u>Fourth Taxation District</u>											
Form N-11	26,428	26,592	26,345	27,171	27,903	28,281	29,267	30,085	31,464	32,763	32,293
Form N-13	1,491	1,426	1,228	1,082	924	991	48	664	602	-	-
Form N-15	791	598	589	631	674	721	781	785	860	904	970
TOTAL - FOURTH DISTRICT	28,710	28,616	28,162	28,884	29,501	29,993	30,896	31,534	32,926	33,667	33,263
<u>All Taxation Districts</u>											
Form N-11	558,663	554,348	550,668	559,987	570,457	573,093	588,109	596,575	608,023	630,021	634,969
Form N-13	37,012	37,291	32,716	28,550	26,279	25,451	24,050	19,935	16,742	-	-
Form N-15	75,812	74,338	68,404	72,307	73,485	77,432	83,980	85,316	92,301	94,592	99,704
TOTAL - ALL RETURNS	671,487	665,977	651,788	660,844	670,221	675,976	696,139	701,826	717,066	724,613	734,673

Note: Form N-13 was not available for Hawaii residents to file since tax year 2016.

TABLE A-10
ADJUSTED GROSS INCOME, GROSS TAX LIABILITY BY GEOGRAPHIC AREA - 2017

GEOGRAPHIC AREA	No. of Returns	Adjusted Gross Income		Gross Tax Liability			Percent of Returns With	
		Amount	Mean	Number	Amount	Mean	Tax Liability	Itemized Deductions
Downtown & Nuuanu	57,535	\$ 3,379,716,680	\$ 58,742	46,246	\$ 205,850,728	\$ 4,451	80%	50%
Kaimuki-Hawaii Kai	49,712	4,417,850,410	88,869	41,005	273,889,446	6,679	82%	64%
Makiki to Waikiki	53,552	3,042,541,063	56,815	44,472	181,471,973	4,081	83%	54%
Airport, Kalihi	39,234	1,723,374,258	43,926	33,151	88,146,887	2,659	84%	50%
Aiea, Pearl City	37,246	1,966,438,702	52,796	30,172	105,522,547	3,497	81%	60%
Waipahu	35,346	1,669,413,126	47,231	30,352	82,658,422	2,723	86%	55%
Kapolei, Ewa	48,928	2,788,950,739	57,001	42,729	141,625,137	3,314	87%	61%
Wahiawa, Mililani	36,880	2,091,867,477	56,721	30,521	110,983,531	3,636	83%	60%
Waianae Coast	19,248	740,116,030	38,452	16,059	35,357,358	2,202	83%	43%
Kailua, Kaneohe	49,703	3,310,917,501	66,614	40,754	190,873,581	4,684	82%	61%
Oahu North Shore	12,657	601,532,076	47,526	10,646	32,168,201	3,022	84%	51%
Oahu Total	440,041	\$ 25,732,718,062	\$ 58,478	366,107	\$ 1,448,547,811	\$ 3,957	83%	56%
Wailuku, Kahului	29,317	\$ 1,532,414,602	\$ 52,271	25,226	\$ 81,897,490	\$ 3,247	86%	55%
Kihei	12,634	705,674,876	55,855	10,653	40,401,960	3,793	84%	59%
Lahaina	11,364	606,683,834	53,386	10,058	33,171,849	3,298	89%	58%
Rural Maui	19,043	1,109,832,795	58,280	15,623	65,328,966	4,182	82%	55%
Molokai	2,922	103,426,282	35,396	2,112	5,139,875	2,434	72%	41%
Lanai	1,489	67,812,086	45,542	1,222	3,442,311	2,817	82%	53%
Maui County Total	76,769	\$ 4,125,844,475	\$ 53,744	64,894	\$ 229,382,451	\$ 3,535	85%	56%
Hilo	24,399	\$ 1,094,736,233	\$ 44,868	19,320	\$ 57,962,112	\$ 3,000	79%	48%
Hamakua Coast	6,009	239,827,364	39,911	4,682	12,238,767	2,614	78%	48%
Kohala	11,570	850,961,491	73,549	9,623	49,089,998	5,101	83%	60%
Kona	23,942	1,328,507,017	55,489	19,888	76,703,103	3,857	83%	52%
Puna-Ka'u	18,007	563,334,147	31,284	13,534	27,160,267	2,007	75%	41%
Big Island Total	83,927	\$ 4,077,366,252	\$ 48,582	67,047	\$ 223,154,247	\$ 3,328	80%	49%
Lihue	8,751	\$ 455,423,042	\$ 52,042	7,493	\$ 24,835,756	\$ 3,315	86%	52%
North Kauai	13,351	938,429,975	70,289	11,089	52,489,496	4,733	83%	53%
Koloa-Poipu	2,582	147,176,477	57,001	2,166	8,389,856	3,873	84%	55%
West Kauai	8,834	442,308,178	50,069	7,397	23,401,915	3,164	84%	54%
Kauai County Total	33,518	\$ 1,983,337,672	\$ 59,172	28,145	\$ 109,117,023	\$ 3,877	84%	53%
Total - Hawaii Addresses	634,255	\$ 35,919,266,461	\$ 56,632	526,193	\$ 2,010,201,532	\$ 3,820	83%	55%
Other/Unknown	100,418	\$ 3,241,774,002	\$ 32,283	68,967	\$ 258,181,198	\$ 3,744	69%	36%
Total - All Returns	734,673	\$ 39,161,040,463	\$ 53,304	595,160	\$ 2,268,382,730	\$ 3,811	81%	53%

