

# Council on Revenues DOTAX Presentation

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**PRELIMINARY COMPARATIVE STATEMENT OF STATE GENERAL FUND TAX REVENUES**  
**February 2024**  
(Dollars in Thousands)

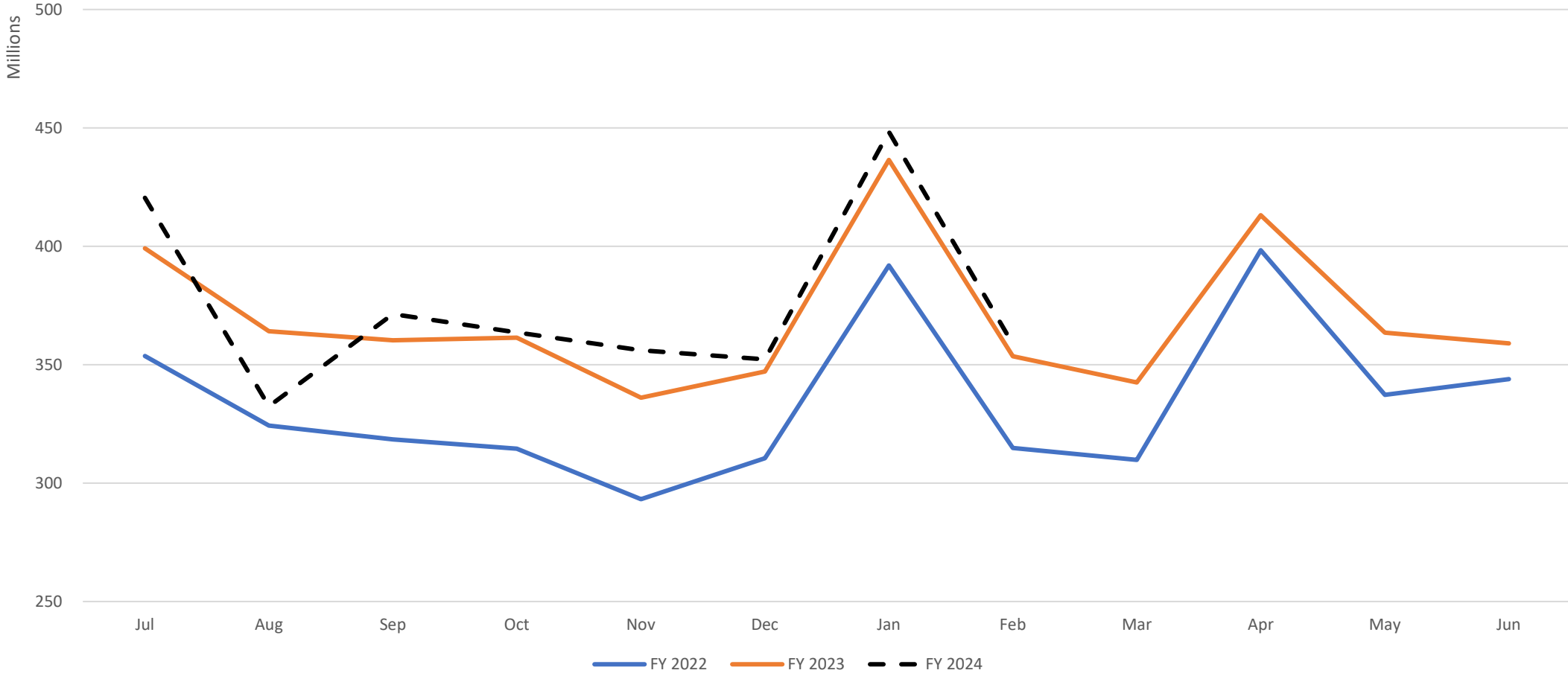
	Feb 2024	CUMULATIVE TOTALS		DIFFERENCE	
		2023-2024	2022-2023	AMOUNT	%CHANGE
<b>GE/Use Taxes</b>	<b>\$358,692</b>	<b>\$2,987,199</b>	<b>\$2,944,458</b>	<b>42,741</b>	1.5%
<b>Income Tax - Corp.</b>	<b>6,941</b>	<b>211,804</b>	<b>172,526</b>	<b>39,279</b>	22.8%
Decl. Est. Taxes	6,924	248,159	189,219		
Payment w/returns	2,037	19,356	21,119		
Refunds	(2,020)	(55,711)	(37,813)		
<b>Income Tax - Ind.</b>	<b>118,935</b>	<b>2,032,145</b>	<b>1,740,221</b>	<b>291,924</b>	16.8%
Decl. Est. Taxes	28,323	422,581	553,121		
Payment w/returns	18,106	149,563	167,570		
WH Tax on Wages	211,382	1,853,206	1,691,720		
Refunds	(138,875)	(393,189)	(672,177)		
Special Fund	0	(15)	(13)		
Trans. Accom. Tax	71,188	546,682	577,289	(30,607)	-5.3%
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	(7,637)	(53,705)	(55,879)		
<b>SUB-TOTAL</b>	<b>63,551</b>	<b>477,477</b>	<b>505,910</b>	<b>(28,434)</b>	
<b>All Others</b>	<b>52,067</b>	<b>414,540</b>	<b>399,724</b>	<b>14,817</b>	3.7%
Collected by DOTAX	32,498	256,152	245,669		
Collected by Other Departments*	19,569	158,389	154,055		
<b>TOTAL GENERAL FUND</b>	<b>\$600,186</b>	<b>\$6,123,166</b>	<b>\$5,762,839</b>	<b>\$360,326</b>	6.3%

Note: General Fund allocations are in bold print.

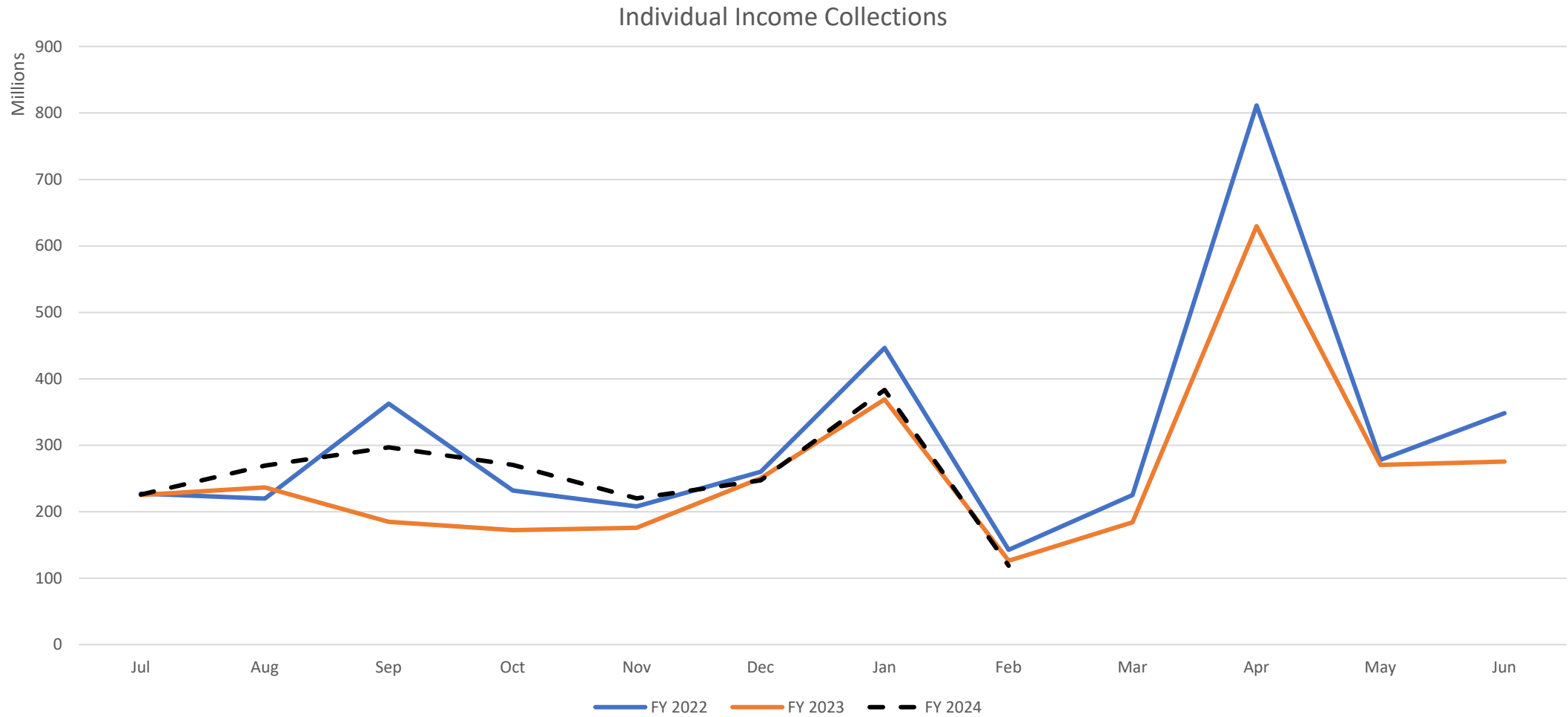
\*Includes Conveyance Tax and Insurance Premium Tax.

# GET collections remain robust apart from August collections

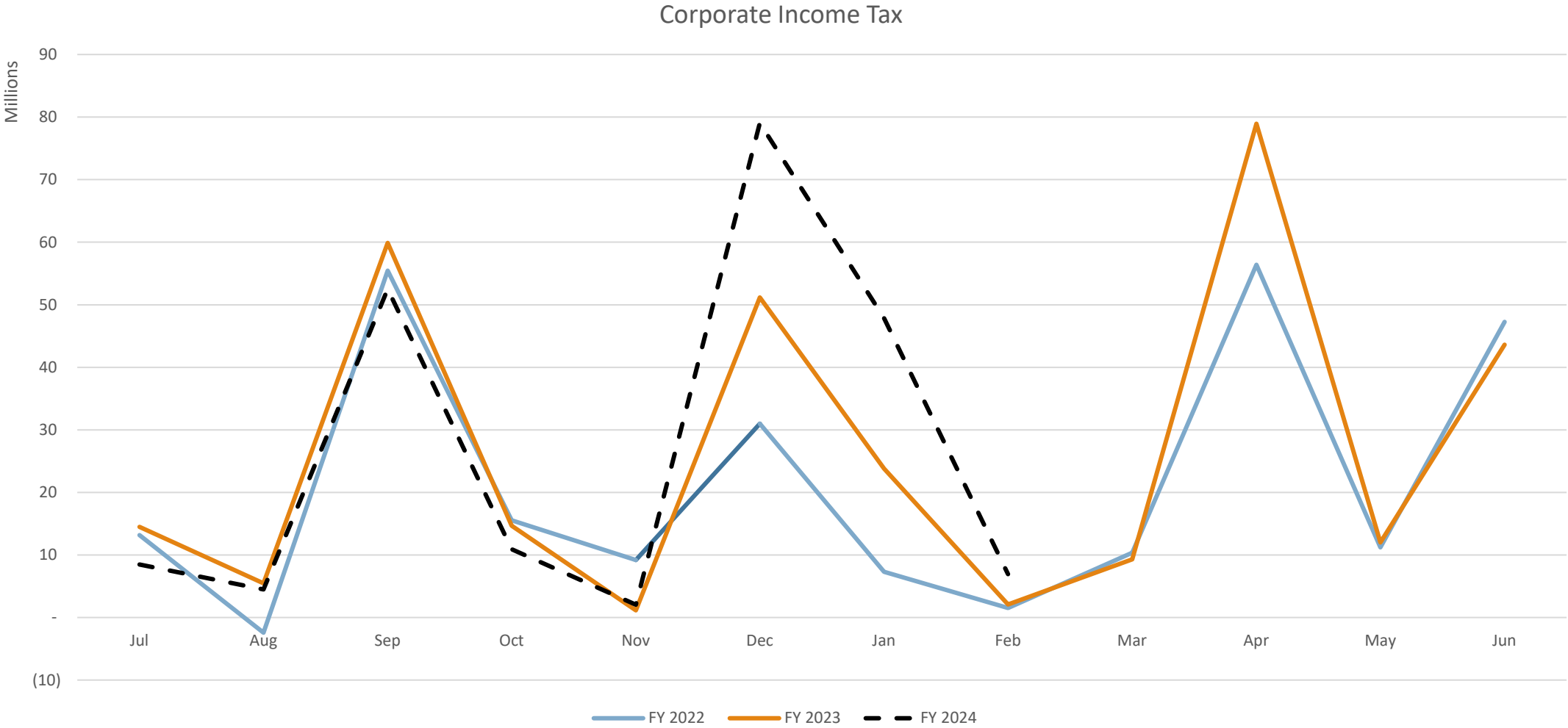
Monthly GET Revenues



# FY 2024 individual income collections trending with FY 2023



# But Corporate Income Taxes Are Increasing

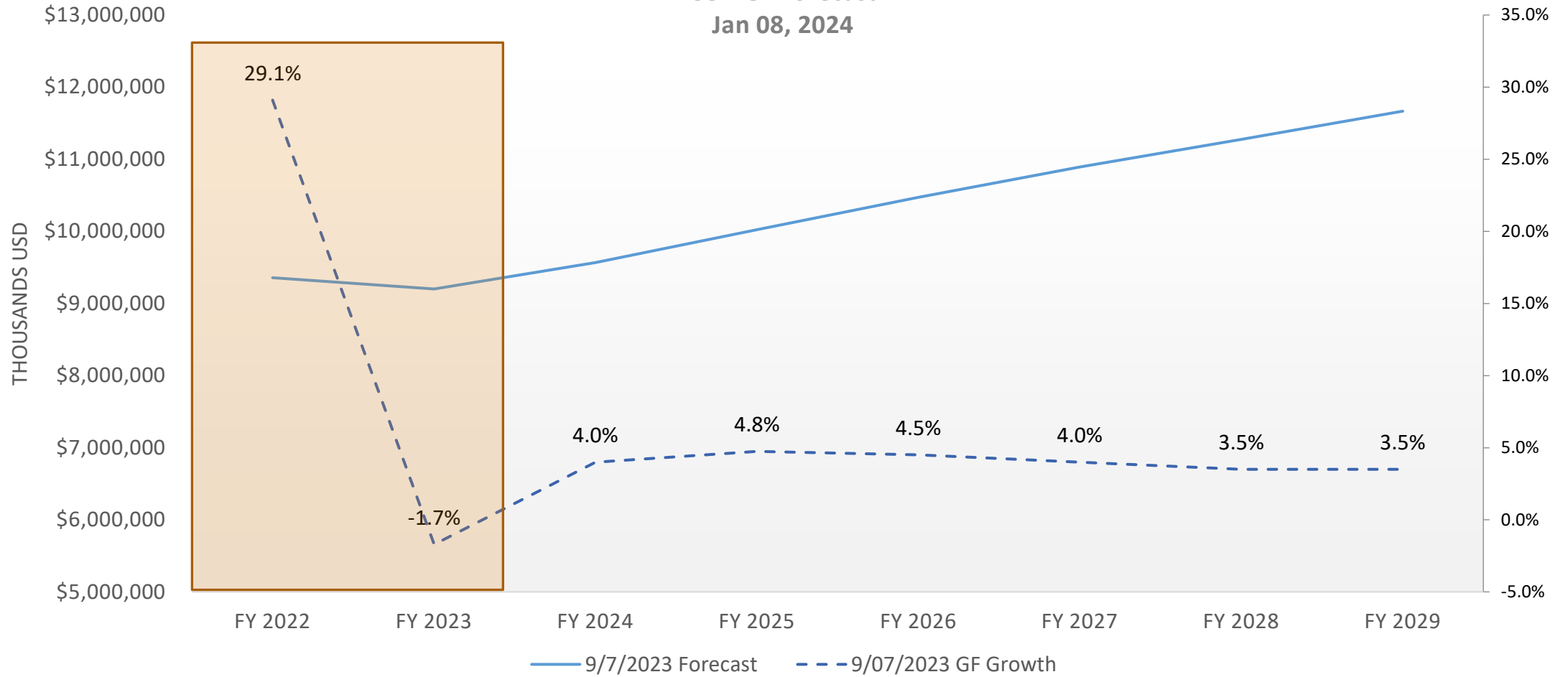


## Issues Impacting FY2024 Collections

- Lower base in FY 2022 from Constitutional Refund
  - \$311.7 million in September and October
- Lower Estimated Tax Payments will reset in January 2024
- Economic Impacts from Maui Wild Fires
- Pass Through Entities shifting state payments from individual to corporate
- Tax Law Changes
  - -\$83 million in FY2023

# Current Council on Revenues Forecast

COR GF Forecast  
Jan 08, 2024



## Jan 8, 2024 Forecast

FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
\$ 9,358,848	\$9,200,336	\$9,568,349	\$10,022,846	\$10,473,874	\$10,892,829	\$11,274,078	\$11,668,671	\$12,077,074
29.1%	-1.7%	4.0%	4.8%	4.5%	4.0%	3.5%	3.5%	3.5%

# Model 1

## ESTIMATES OF GENERAL FUND TAX REVENUE: FY 2024 TO FY 2030 Results Based on Input Mean Forecasts (in thousands of dollars)

TYPE OF TAX	BASE		ESTIMATED						
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
General Excise and Use Tax	\$3,978,993	\$4,408,473	\$4,736,790	\$5,120,013	\$5,414,224	\$5,619,395	\$5,800,814	\$5,990,897	\$6,188,120
Individual Income Tax	3,759,753	3,099,886	3,172,739	3,474,085	3,751,435	4,035,206	4,328,702	4,726,188	5,034,206
Corporate Income Tax	255,621	316,831	332,334	369,432	393,737	468,130	480,755	493,985	504,433
Public Service Company Tax	122,068	142,195	151,574	159,129	166,486	174,113	181,758	189,660	197,866
Tax on Insurance Premiums	195,607	203,791	227,532	245,033	261,254	278,272	295,909	314,347	332,599
Cigarette and Tobacco Tax	65,658	59,070	58,747	61,084	64,548	68,067	72,082	76,302	80,835
Liquor Tax	53,983	54,513	55,508	56,662	57,507	58,252	58,869	59,464	60,041
Tax on Banks and Other Financial Corps.	57,252	28,969	29,527	43,393	46,452	49,566	51,868	53,294	54,502
Inheritance and Estate Tax	57,405	58,083	59,889	61,297	62,633	63,986	65,310	66,649	68,009
Conveyance Tax	145,318	49,032	57,597	67,148	76,182	85,792	95,889	106,584	117,304
Miscellaneous Taxes*	21,760	22,886	24,181	25,547	26,988	28,508	30,116	31,813	33,607
Transient Accommodations Tax	645,429	756,578	776,619	822,964	863,689	901,990	939,993	978,887	1,018,958
<b>GENERAL FUND TOTAL</b>	<b>\$9,358,848</b>	<b>\$9,200,305</b>	<b>\$9,683,037</b>	<b>\$10,505,787</b>	<b>\$11,185,135</b>	<b>\$11,831,277</b>	<b>\$12,402,065</b>	<b>\$13,088,070</b>	<b>\$13,690,479</b>
00GROWTH RATE	29.1%	-1.7%	5.2%	8.5%	6.5%	5.8%	4.8%	5.5%	4.6%



# The Mean Variable Forecast Performed Well in 2023

**Table 9**  
FY 2023 General Fund Tax Revenues: Forecast vs. Actual

**COR Consensus Forecasts**

General Fund Tax Revenues	Actual Collections	September 2022		January 2023		March 2023		May 2023		Actual Economic Indicators	
		COR Forecast	Difference	COR Forecast	Difference	COR Forecast	Difference	COR Forecast	Difference	Model 1	Difference
Tax Revenues (\$K)	\$9,200,308	\$9,967,173	\$766,865	\$9,873,585	\$673,277	\$9,546,025	\$345,717	\$9,265,260	\$64,952	\$9,176,325	-\$23,983
Growth Rate (%)	-1.7%	6.5%	8.2%	5.5%	7.2%	2.0%	3.7%	-1.0%	0.7%	-2.0%	-0.3%

**COR Mean Variable Forecasts**

General Fund Tax Revenues	Actual Collections	September 2022 COR Mean Forecast		January 2023 COR Mean Forecast		March 2023 COR Mean Forecast		May 2023 COR Mean Forecast		Actual Economic Indicators	
		Model 1	Difference	Model 1	Difference	Model 1	Difference	Model 1	Difference	Model 1	Difference
Tax Revenues (\$K)	\$9,200,308	\$10,144,967	\$944,659	\$9,905,945	\$705,637	\$9,959,386	\$759,078	\$9,519,059	\$318,751	\$9,176,325	-\$23,983
Growth Rate (%)	-1.7%	8.4%	10.1%	5.8%	7.5%	6.4%	8.1%	1.7%	3.4%	-2.0%	-0.3%

September 7, 2023

**Table 8: Impact of Economic Parameters for FY 24 of Model 1  
(Adjusted for Constitutional Refund)**

**Total State Visitor Arrivals by Air**  
Annual Growth Rate

-5.0%	-3.5%	-2.0%	-0.5%	1.0%	2.5%	4.0%
In Thousands						
9,148	9,292	9,436	9,581	9,725	9,870	10,014

<b>Hawaii Total Personal Income - Nominal</b>	<b>Annual Growth Rate</b>	1.0%	1.8%	2.4%	3.0%	3.6%	4.2%	4.8%	5.4%
		2.0%	2.2%	2.8%	3.4%	4.0%	4.6%	5.2%	5.8%
		3.0%	2.7%	3.3%	3.9%	4.5%	5.1%	5.7%	6.3%
		4.0%	3.1%	3.7%	4.3%	4.9%	5.5%	6.1%	6.7%
		5.0%	3.6%	4.2%	4.8%	5.4%	6.0%	6.6%	7.1%
		6.0%	4.0%	4.6%	5.2%	5.8%	6.4%	7.0%	7.6%
		7.0%	4.4%	5.0%	5.6%	6.2%	6.8%	7.4%	8.0%
		8.0%	4.9%	5.5%	6.1%	6.7%	7.3%	7.9%	8.5%

March 11, 2024