

Hawaii

Poor and Near-Poor Families in Hawaii Are Hit Harder by the Income Tax Than Those in Most Other States

Hawaii's 2002 income tax threshold — the income level at which families begin paying income tax:

Ranking among 42 states with income taxes

- ⇒ For single-parent families of three: **\$9,900.** **5th lowest**
- ⇒ For two-parent families of four: **\$11,600.** **6th lowest**

Hawaii's 2002 income tax on working-poor and near-poor families:

- ⇒ For families of three with *incomes at the poverty line* (\$14,351): **\$257** **4th highest**
- ⇒ For families of four with *incomes at the poverty line* (\$18,390): **\$378.** **5th highest**
- ⇒ For families of three with *minimum-wage earnings* (\$11,960): **\$125** **4th highest**
- ⇒ For families of four with *minimum-wage earnings* (\$11,960): **\$14** **6th highest**
- ⇒ For families of three with *incomes at 125% of poverty line* (\$17,939): **\$510.** **3rd highest**
- ⇒ For families of four with *incomes at 125% of poverty line* (\$22,988): **\$679.** **4th highest**

Hawaii has consistently taxed families with incomes significantly below the poverty line.

- ⇒ As a result of changes enacted in 1998, Hawaii's income tax threshold increased substantially in 1999, but Hawaii continues to levy income tax on poor families.
- ⇒ In 1991, a family of four owed tax when its income exceeded 45 percent of the poverty line. In 2002, Hawaii's tax threshold equaled 63 percent of the poverty line.

Income Tax Threshold for Family of Four

