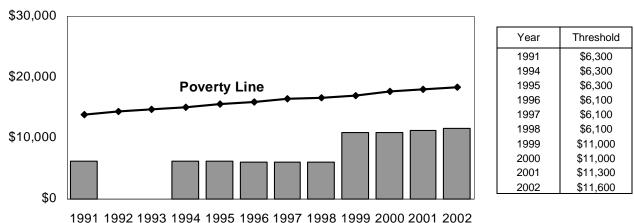
Hawaii

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 .	5 th lowest
⇒	For two-parent families of four: \$11,600 .	6 th 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	4 th highest
⇒	For families of four with <i>incomes at the poverty line (\$18,390)</i> : \$378 .	5 th highest
⇒	For families of three with <i>minimum-wage earnings (\$11,960)</i> : \$125	4 th highest
⇒	For families of four with <i>minimum-wage earnings (\$11,960)</i> : \$14	6 th highest
⇔	For families of three with <i>incomes at 125% of poverty line (\$17,939):</i> \$510.	3 rd highest
⇔	For families of four with <i>incomes at 125% of poverty line (\$22,988):</i> \$679.	4 th 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

Source: Center on Budget and Policy Priorities, *State Income Tax Burdens on Low-Income Families in 2002*, April 11, 2003.