

Hawaii

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

Hawaii's 2003 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: **\$9,800.**

4th lowest

⇒ For two-parent families of four: **\$11,500.**

5th lowest

Hawaii's 2003 income tax on working-poor and near-poor families:

⇒ For families of three with *incomes at the poverty line* (\$14,675): **\$279**

3rd highest

⇒ For families of four with *incomes at the poverty line* (\$18,811): **\$407.**

3rd highest

⇒ For families of three with *minimum-wage earnings* (\$13,000): **\$185**

3rd highest

⇒ For families of four with *minimum-wage earnings* (\$13,000): **\$50**

4th highest

⇒ For families of three with *incomes at 125% of poverty line* (\$18,344): **\$539.**

3rd highest

⇒ For families of four with *incomes at 125% of poverty line* (\$23,514): **\$718.**

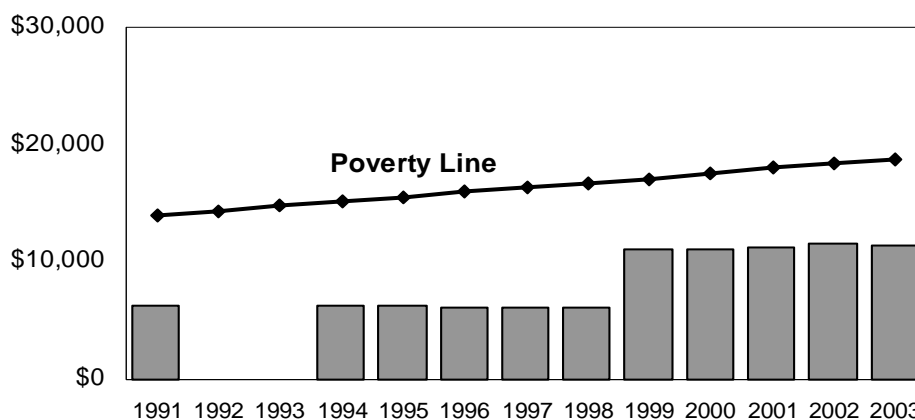
**3rd highest
(tie)**

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 2003, Hawaii's tax threshold equaled 61 percent of the poverty line.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$6,300
1994	\$6,300
1995	\$6,300
1996	\$6,100
1997	\$6,100
1998	\$6,100
1999	\$11,000
2000	\$11,000
2001	\$11,300
2002	\$11,600
2003	\$11,500

Source: Center on Budget and Policy Priorities, *State Income Tax Burdens on Low-Income Families in 2003*, April 8, 2004.