

Hawaii

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

Hawaii's 2005 income tax threshold

Rank among the 42 states with income taxes

(The income level at which families begin paying income tax)

(1 = lowest threshold)

- For single-parent families of three: \$9,800 3
- For two-parent families of four: \$11,500 4

Hawaii's 2005 income tax levied on working-poor and near-poor families

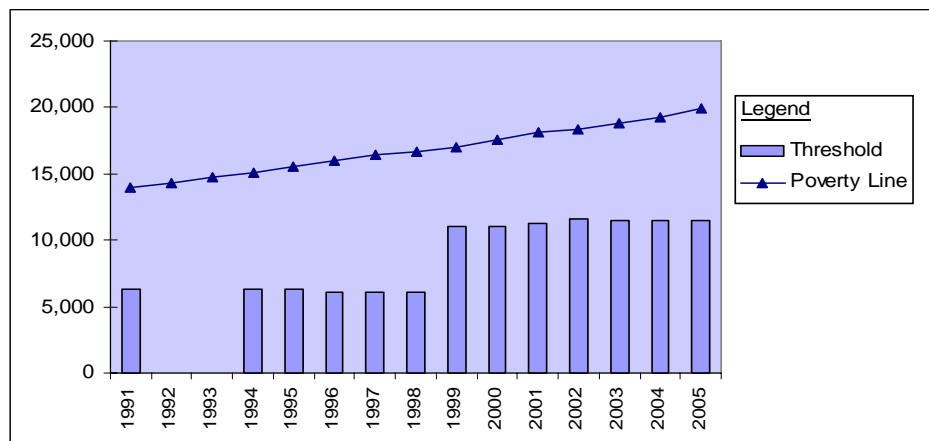
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$15,577): \$373 2
- For families of four with incomes at the poverty line (\$19,961): \$470 2
- For families of three with minimum-wage earnings (\$13,000): \$185 2
- For families of three with incomes at 125% of poverty line (\$19,471): \$612 2
- For families of four with incomes at 125% of poverty line (\$24,951): \$808 3

Hawaii's income tax threshold is declining relative to the poverty line.

- Hawaii's tax threshold for families of four was increased in 1999, but since then it declined from 65 percent of the poverty line to 58 percent of the poverty line.
- Without legislative action, Hawaii's threshold will continue to fall relative to the poverty line.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$6,300
1992	no data
1993	no data
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
2004	\$11,500
2005	\$11,500