

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR



KURT KAWAFUCHI
DIRECTOR OF TAXATION

May 12, 2003

Honorable Linda Lingle
Governor of Hawaii
State of Hawaii
Honolulu, HI 96813

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809

PRELIMINARY COMPARATIVE STATEMENT OF STATE GENERAL FUND - APRIL 2003

	ALL DISTRICTS		%	CUMULATIVE TOTALS		%
	APR 2003	APR 2002	CHANGE	2002-2003	2001-2002	CHANGE
GE/Use Taxes	\$149,835	\$157,903	-5.1%	\$1,488,435	\$1,369,774	8.7%
Income Tax - Corp.	10,354	16,422	-36.9%	(4,096)	36,148	-111.3%
Decl. Est. Taxes	15,013	17,735		40,926	80,307	
Payment w/returns	398	570		880	10,637	
Refunds	(5,057)	(1,883)		(45,901)	(54,796)	
Income Tax - Ind.	53,243	121,712	-56.3%	845,466	938,230	-9.9%
Decl. Est. Taxes	18,361	40,126		127,210	163,849	
Payment w/returns	12,821	61,127		32,928	95,032	
WH Tax on Wages	85,228	88,801		871,464	860,429	
Refunds	(63,137)	(68,342)		(186,020)	(181,038)	
Special Funds	(31)	0		(116)	(29)	
Trans. Accom. Tax	13,888	17,914		142,874	134,783	
Convention Ctr. Enterprise Fund	(2,403)	0		(24,717)	0	
Tourism Special Fund	(4,528)	(6,789)		(46,577)	(51,083)	
TAT Trust Fund	(736)	0		(7,572)	0	
County Fund	(6,222)	(8,025)		(64,008)	(60,383)	
SUB-TOTAL	0	3,099	-100.0%	(0)	23,317	-100.0%
All Others	19,246	21,071	-8.7%	271,228	243,471	11.4%
TOTAL GENERAL FUND	\$232,678	\$320,207	-27.3%	\$2,601,034	\$2,610,939	-0.4%

Dollars in thousands. Due to rounding, details may not add to total. n.m. = not meaningful.

Total tax revenue deposited into the state general fund in April 2003 was \$232.7 million, a very large decrease of \$87.5 million or 27.3% when compared with the previous April. With this decrease, the cumulative amount of revenue deposited after ten months of the 2002-2003 fiscal year fell \$9.9 million or 0.4% less than the amount deposited during the corresponding period of the previous fiscal year. For the full fiscal year, the Council on Revenues is projecting a 4.3% increase in general fund deposits.

Part of the April decrease can be attributed to the "weekend effect" because April 2002 collections were inflated somewhat due to the fact that March 31, 2002 fell on Sunday. As a result, some March 2002 revenue was pushed into April 2002. The major taxes affected by the "weekend effect" are the general excise/use tax and the transient accommodations tax. General fund deposits from the general excise and use taxes saw an \$8.1 million drop. April transient accommodations tax revenue declined by \$4.0 million, primarily due to the "weekend effect".

For the individual income tax category this April witnessed large drops of \$21.8 million in estimated taxes and \$48.3 million in payments with returns, accounting for four-fifths of the total monthly revenue decline. A major probable reason for these drops is Hawaii's tax credits, to include the home remodeling credit and Act 221 credits. Secondary reasons include the depressed stock market and Act 190 of the 2002 legislature which allowed individuals with adjusted gross income of more than \$50,000 to reduce their minimum estimated tax payments from 90% to 60% of current year liability.

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