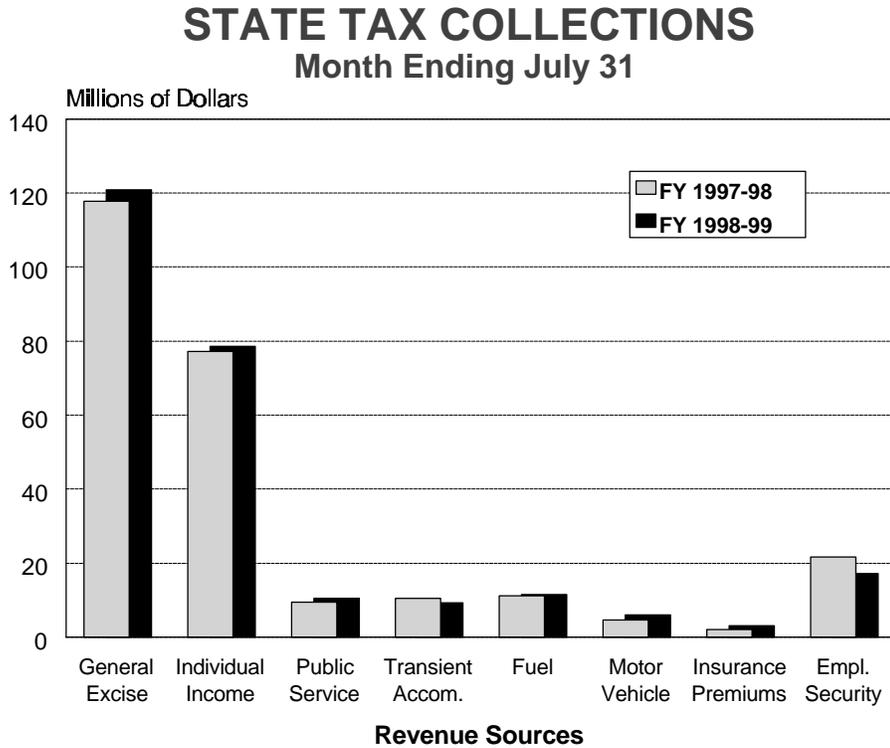


REVENUE TRENDS - JULY 1998

Statewide tax collections for July 1998 totaled \$274.6 million, representing an increase of \$9.0 million or 3.4% when compared with the previous July. Over one-third of July's increase was due to a \$3.2 million rise in general excise and use tax revenue. This rise reflects improvement in industries other than tourism, since transient accommodations tax revenue was down \$1.2 million, and the number of visitor arrivals declined 3.0% in June 1998.

Individual income tax revenue increased \$1.5 million in July. Without the effect of the state payroll lag, which pushed the end-of-June paycheck for state workers into July, withholding taxes would have been about \$4 million greater, which means that individual income tax revenue would have been \$4 million greater as well.



Revenue from estate and transfer taxes rose \$3.0 million as a result of month-to-month fluctuation in the size of estates settled.

STATE GENERAL FUND

July 1998 general fund accruals totaled \$231.0 million, an increase of \$13.4 million or 6.2% over the previous July. In May, the Council on Revenues projected a general fund revenue decline of 0.9% for the 1998-1999 fiscal year. This projection takes into account the tax year 1999 income tax rate reduction that will show up in withholding tax collections.

For readers of this report who have access to the Internet, this report as well as our other monthly reports can be found at the Department of Taxation's website at:

<http://www.state.hi.us/tax/tax.html>