



**STATE OF HAWAII**  
**DEPARTMENT OF TAXATION**  
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To: The Honorable Tom Brower, Chair  
and Members of the House Committee on Housing

Date: Thursday, February 8, 2018  
Time: 9:30 A.M.  
Place: Conference Room 423, State Capitol

From: Linda Chu Takayama, Director  
Department of Taxation

Re: H.B. 2703, Relating to Housing Affordability

The Department of Taxation (Department) offers the following comments on H.B. 2703 for the Committee's consideration.

H.B. 2703 makes various amendments to income tax and conveyance tax. Specifically, the bill does the following:

- Amends the income tax credit for low-income household renters (renter's credit) under Hawaii Revised Statutes (HRS) section 235-55.7, by replacing the renter's credit amount of \$50 per exemption with an unspecified amount;
- Amends the earned income tax credit (EITC) under HRS section 235-55.75, from a nonrefundable credit to refundable credit; and
- Amends the distribution of the conveyance tax under HRS section 247-7, by allocating an unspecified percentage or an unspecified amount, whichever is less, to the rental assistance revolving fund established by HRS section 201H-123.

H.B. 2703 is effective upon its approval, but the amendments to the renter's credit and EITC apply to taxable years beginning after December 31, 2017, and the amendment to the allocation of the conveyance tax is effective July 1, 2018.

First, the Department notes that refundable tax credits often lead to improper claims and create a potential for fraud. Nonrefundable tax credits limit the incentive for fraud because they only benefit taxpayers to the extent of their tax liability. A nonrefundable state EITC would not generate the number of improper claims as the federal EITC (ranging from 23% to 27%).

In addition, beginning on January 1, 2017, the federal Protecting Americans from Tax Hikes Act of 2015 requires that the Internal Revenue Service hold any refunds where EITC is claimed until at least February 15. This new law is intended to provide the IRS more time to verify claims thereby reducing the number of improper claims. The Committee may wish to consider monitoring the effectiveness of this new policy before amending the state EITC from a nonrefundable to refundable credit.

Second, the Department defers to Hawaii Housing Finance and Development Corporation on the administration and the use of the conveyance tax revenues allocated to the rental assistance revolving fund.

Finally, the Department is able to administer changes to the renter's credit and EITC for taxable years beginning after December 31, 2017, as this measure proposes modification of existing credits.

Thank you for the opportunity to provide comments.



**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
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Honolulu, Hawaii 96813  
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IN REPLY REFER TO:

Statement of  
**Craig K. Hirai**  
Hawaii Housing Finance and Development Corporation  
Before the

**HOUSE COMMITTEE ON HOUSING**

February 8, 2018 at 9:30 a.m.  
State Capitol, Room 423

In consideration of  
**H.B. 2703**  
**RELATING TO HOUSING AFFORDABILITY.**

The HHFDC *supports the intent* of Part II of H.B. 2703, provided that its passage does not replace or adversely impact priorities indicated in our Executive Supplemental budget request. We defer to the Department of Taxation on Parts III and IV of the bill.

Part II of this bill allocates an unspecified percentage of conveyance taxes, up to an unspecified cap, for the Rental Assistance Revolving Fund (RARF), and mandates that said amount only be used for rent subsidies for families at or below 30 percent of the area median income.

The RARF funds HHFDC's Rental Assistance Program (RAP), which provides qualified owners with monthly rental assistance subsidies to assist eligible tenants who live in rental housing developments to make their rental payments. RAP provides rental subsidies for eligible tenants at or below 80 percent of the area median income. The RARF does not have sufficient funding to enter into new RAP contracts.


Rental subsidies are needed to assist families at this extremely low income level in permanent affordable housing. HHFDC is willing to provide RAP subsidies for this income level, provided that this funding source is made available.

Thank you for the opportunity to testify.



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February 8, 2018

**The Honorable Tom Brower, Chair**

House Committee on Housing  
State Capitol, Room 423  
Honolulu, Hawaii 96813

**RE: H.B. 2703, Relating to Housing Affordability**

**HEARING: Thursday, February 8, 2018, at 9:30 a.m.**

Aloha Chair Brower, Vice Chair Nakamura and Members of the Committees,

I am Ken Hiraki, Director of Government Affairs, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its almost 9,500 members. HAR **opposes** House Bill 2703, which allocates a portion of the conveyance tax revenues to the Rental Assistance Revolving Fund to be used to subsidize rents for persons who meet certain income requirements. This measure also increases the income tax credit for low-income housing renters to an unspecified amount. Also, it makes the state earned income tax credit refundable and changes the amount of the credit to an unspecified percentage of the federal earned income tax credit.

The Conveyance Tax applies to the conveyance of multi-family rentals, land for residential subdivisions, mixed-income and multi-use properties, commercial properties, resort properties, and agricultural lands, as well as condominium and single-family homes. It also applies when one conveys property between family members. It also applies whether or not a property is sold at a gain or a loss

The tax applies to the entire purchase price, and does not take into account the amount of indebtedness that may be on the property being sold, or whether the seller may be selling at less than what the seller originally acquired the property for. Thus, in certain circumstances the seller may not have the cash to be able to pay the Conveyance Tax, or the amount of tax may be so high relative to the net proceeds that the seller is receiving as to become confiscatory.

Furthermore, the problem linking special funding to the Conveyance tax is that when the real estate market is down, there are not enough funds to pay for the programs and special funds it covers. Then, the Conveyance Tax would need to be increased to cover the program. However, when the market is up, there are excess funds over and above the program's needs. This becomes a cyclical issue, and unreliable in forecasting these program's needs.

While HAR supports efforts to address our State's affordable housing needs, we oppose utilizing the Conveyance Tax to earmark monies to a special fund to do so.

Mahalo for the opportunity to testify in opposition to this measure.



**HB-2703**

Submitted on: 2/7/2018 8:55:50 AM

Testimony for HSG on 2/8/2018 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	OCC Legislative Priorities	Support	No

Comments:



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## COMMITTEE ON HOUSING

THURSDAY, February 8, 2018, 9:30 AM, room 423

HB 2703, Relating to Housing Affordability

### TESTIMONY

Nina Eejima, Legislative Committee, League of Women Voters of Hawaii

Chair Brower, Vice-Chair Nakamura, and Committee Members:

**The League of Women Voters of Hawaii supports HB 2703 that allocates a portion of the conveyance tax revenues to the rental assistance revolving fund, increases the income tax credit for low-income household renters, and makes the state earned income tax credit refundable.**

We support this bill because addressing affordable housing challenges requires creative public policy approaches that are statutorily sanctioned. In this regard, state tax code amendments that facilitate affordable housing options for low-income wage earners are a pragmatic way to do this. We are cognizant that there may be fiscal impacts to the State's fiscal status and we defer to the legislature's thorough technical analysis of this issue. We agree, however, that increasing the existing refundable income tax credit for low-income household renters and converting the state earned income tax credit into a refundable tax credit could provide low- to moderate-income working families with immediate access to additional funds that may be used to help pay their rent. Also, the distribution of conveyance tax revenues could be amended to provide a dedicated source of funding for the rental assistance revolving fund to provide assistance to low-income residents.

Thank you for the opportunity to submit testimony.

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

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SUBJECT: CONVEYANCE, INCOME, Earmark Conveyance Tax to Feed Rental Assistance Revolving Fund, Make EITC Refundable, Increase Low-Income Household Renters Credit

BILL NUMBER: HB 2703

INTRODUCED BY: FUKUMOTO, BELATTI, BROWER, JOHANSON, KEOHOKALOLE, C. LEE, LUKE, NISHIMOTO, OHNO, SAIKI, WOODSON

EXECUTIVE SUMMARY: (1) Allocates a portion of the conveyance tax revenues to the rental assistance revolving fund to be used to subsidize rents for persons who meet certain income requirements; (2) Increases the income tax credit for low-income household renters to an unspecified amount; and (3) Makes the state earned income tax credit refundable and changes the amount of the credit to an unspecified percentage of the federal earned income tax credit.

SYNOPSIS: Amends sections 201H-123 and 247-7, HRS, to allocate the lesser of \_\_\_% or \$\_\_\_ from the conveyance tax to the rental assistance revolving fund.

Amends section 235-55.7, HRS, to change the amount of the low-income household renters' credit from \$50 to \$\_\_\_.

Amends section 235-55.75, HRS, to change the earned income tax credit from nonrefundable to refundable.

EFFECTIVE DATE: The conveyance tax earmark takes effect on July 1, 2018. The income tax provisions apply to taxable years beginning after December 31, 2017.

STAFF COMMENTS:

## **Conveyance Tax**

The conveyance tax was enacted by the 1966 legislature after the repeal of the federal law requiring stamps for transfers of real property. It was enacted for the sole purpose of providing the department of taxation (which at the time also administered the real property tax) with additional data for the determination of market value of properties transferred. This information was also to assist the department in establishing real property assessed values and at that time the department stated that the conveyance tax was not intended to be a revenue raising device.

Prior to 1993, the conveyance tax was imposed at the rate of 5 cents per \$100 of actual and full consideration paid for a transfer of property. At the time all revenues from the tax went to the general fund. The legislature by Act 195, SLH 1993, increased the conveyance tax to 10 cents per \$100 and earmarked 25% of the tax to the rental housing trust fund and another 25% to the natural area reserve fund. As a result of legislation in 2005 and in 2009, the conveyance tax rates were substantially increased and bifurcated between nonowner-occupied residential properties and all other properties. Tax brackets were based on the amount of the value transferred. Until

2005, 50% of the receipts went into the general fund and the other half was split with the affordable rental housing program and the natural area reserve program. Beginning in 2005, another 10% was taken for the land conservation fund. In 2009, legislators reduced the amount of conveyance tax revenues earmarked to the rental housing trust fund from 30% to 25% until June 30, 2012 in an effort to generate additional revenues for the state general fund. Act 164, SLH 2014, increased the earmark to 50% as of July 1, 2014, and Act 84, SLH 2015, imposed the \$38 million cap on the earmark.

This bill adds an additional earmark on the conveyance tax to feed the rental assistance revolving fund.

As with any earmarking of revenues, the legislature will be preapproving each of the programs fed by the fund into which the tax monies are diverted, expenses from the funds largely avoid legislative scrutiny, and the effectiveness of the programs funded becomes harder to ascertain. It is also difficult to determine whether the fund has too little or too much revenue.

If the legislature deems the programs and purposes funded by this special fund to be a high priority, then it should maintain the accountability for these funds by appropriating the funds as it does with other programs. Earmarking revenues merely absolves elected officials from setting priorities. If the money were appropriated, lawmakers could then evaluate the real or actual needs of each program.

### **Income Tax Credit for Low-Income Household Renters**

The 1970 legislature adopted a system of tax credits for household renters which was intended to partially offset the higher tax burden on renters resulting from the lack of tax relief like the home exemption for homeowners and the 4% general excise tax levied on rental income. The current renter credit was established by the 1977 legislature at \$20 per exemption for those taxpayers with adjusted gross incomes of less than \$20,000 who paid more than \$1,000 in rent during the tax year. Act 230, SLH 1981, increased the credit amount to \$50. Act 239, SLH 1989, increased the adjusted gross income (AGI) limit to \$30,000 to claim the credit. The proposed measure would increase the amount of the credit from \$50 to \$150. It does not increase the rent qualification amount – the taxpayer still will need to pay \$1,000 in rent during a taxable year to qualify for the credit.

There are some issues to consider with refundable credits targeted at low-income and homeless people generally.

First, a tax return is one of the most complicated documents for government agencies to process. The administrative costs associated with each one can quickly make heads spin. Furthermore, as the U.S. Treasury has experienced with the Earned Income Tax Credit, the combination of complexity and a refundable credit result in a certain percentage of improper payouts, some due to mistake or misunderstanding, and some due to bad actors.

Second, the low-income household renters' credit does nothing for most of the homeless; the credit requires payment of more than \$1000 in rent. And even for those in the target population who do qualify for this credit, the relief that the credit provides comes in a tax refund which is



paid, at the earliest, in the early part of the year after the tax return filer needs the relief. A person who qualifies for the credit in 2017, for example, won't get a check until early 2018.

Third, as a policy matter, lawmakers might prefer that the recipient of the refund not use the money obtained on such things as cigarettes, alcohol, or illegal drugs. But the tax system contains no way of restricting the uses of a refund check; other departments do have systems in place to give some assurance that the payment will go toward legitimate living expenses such as groceries (EBT, for example).

The better solution is to get such people out of the tax system entirely. They receive peace of mind because they don't have to worry about tax returns, and the department doesn't have to worry about processing those returns. If additional relief to such people is considered desirable, it can be delivered through the agencies that are better equipped to do so.

### **Earned Income Tax Credit**

In Act 107, SLH 2017, the earned income tax credit (EITC), was adopted. Its supporters maintained it's the best solution to lift families out of poverty since sliced bread. At the Department of Taxation's urging, however, the EITC was made nonrefundable. Advocates clearly didn't like that, and are already imploring the 2018 legislature to make the credit refundable.

Well, what's the difference? Let's start with a nonrefundable credit, which is current law. Suppose you either have lots of credits or not very much income, so you have more credits than tax liability. If you have made tax payments throughout the year, through wage withholding perhaps, you still can get all your payments back. But once the tax liability hits zero, there's no more. The state does not cut you a check, but you get a credit carryover which can be used against next year's tax liability.

In contrast, a refundable credit is just as good as cash. Not only can this type of credit reduce the amount of tax owed, but if the tax liability is less than the credit the State will cut the taxpayer a check for the difference.

Why is the State concerned about issuing refundable credits? There are several reasons.

First, issuing a refund is administratively expensive. In most businesses, the internal process necessary to send money to someone goes through several checks and balances to make sure that no mistakes are made. In our state government, we need to do those processes twice. At the Department of Taxation, staff can ask for a refund to be issued but no one can issue a check. Instead, a document called a "refund voucher" is sent to a different department altogether, the Department of Accounting and General Services (DAGS). Once DAGS gets the refund voucher, it goes through its own processes, checking to see if the recipient doesn't owe another agency for example, and then issues the check.

Second, a refund can become a target for bad actors. We earlier pointed to reports from the U.S. Treasury Inspector General for Tax Administration estimating that more than 20% of all federal EITC payouts were improper. Other studies estimated that about half of these so-called

improper payments were paid out because someone made a mistake. Perhaps the taxpayer was confused by the tax form, which is admittedly complex. The other half were paid out because of bad actors. Maybe a taxpayer claimed credits for kids they don't have. Maybe an unethical tax preparation service filled in data claiming credits for people who exist but aren't part of the taxpayer's family. Once the cash goes out, however, it's tough to get back. In Hawaii, our credit is 20% of the federal credit so a smaller check would go out, and because the number is smaller the Department of Taxation might not be motivated to chase down the improper payments given the number and severity of other items on their plate.

Indeed, the Department recently estimated that changing the Hawaii EITC to a refundable one would cost the State \$32 million more than a nonrefundable credit. It's not clear how they came up with that number. But that amount of money definitely could cool a few sweltering classrooms, or perhaps fix a few plumbing facilities at the airport. In this situation, what are our priorities? Where is the need greatest?

Digested 2/6/2018

**HB-2703**

Submitted on: 2/5/2018 5:13:04 PM

Testimony for HSG on 2/8/2018 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez		Support	No

Comments:



**HB2703**  
**RELATING TO HOUSING AFFORDABILITY**  
House Committee on Housing

February 8, 2018

9:30 a.m.

Room 423

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB2703, which will provide substantial and much-needed housing relief to Native Hawaiian renters as well as other residents of Hawai‘i, and better assist low-income wage earners in achieving and maintaining housing security.

**Native Hawaiian renters and many of Hawai‘i’s residents today are clearly struggling to afford their monthly housing costs.** Native Hawaiians, whose homeownership rate is significantly lower than the state average, disproportionately rely on the rental housing market.<sup>i</sup> Native Hawaiian households are also much more likely to be “doubled up,” with multi-generational or unrelated individuals living together in single households,<sup>ii</sup> and Native Hawaiian households are more than three times more likely have a “hidden homeless” family member than all state households.<sup>iii</sup> Recent research has further shown that state and Native Hawaiian housing rental housing demand is almost entirely for units that are affordable, rather than for market-rate or other ‘gap’-rate units.<sup>iv</sup> As such, support for affordable housing relief is more critical to OHA’s beneficiaries and many other Hawai‘i residents now than ever before.

**HB2703’s proposed low income household renters tax credit (LIHR) increase reflects a pragmatic approach to alleviating the tax burden on those low-income individuals and families facing housing insecurity, and will have a particular impact on Native Hawaiians.** Originally created in 1977 to mitigate the high cost of housing in Hawai‘i, the LIHR credit currently provides a \$50 tax credit per “qualified exemption,” for households with an adjusted gross income of less than \$30,000, that pay more than \$1,000 a year in rent. Kūpuna over the age of 65 are able to receive double the credit. Notably, while the LIHR is intended to provide meaningful relief for those who may need it the most, the value of the LIHR credit has not been updated since 1981. This measure proposes an adjustment to the LIHR credit for Hawai‘i’s lowest-income households, to better reflect the cost of housing today, and thereby provide more meaningful relief to for those struggling to remain self-sufficient and housing secure.

**In addition, HB2703’s proposed “refundable” earned income tax credit (“EITC”), provides additional relief and a means to further reduce the tax burden on our neediest community members, including Native Hawaiians.** Building upon Act 107 (2017), HB2703 proposes to convert the state earned income tax credit into a refundable tax

credit, with an amount to be based on an unspecified percentage of the federal earned income tax credit. Because an EITC is tied to an “individual” taxpayer’s income and family size, it is a highly targeted approach that provides tax relief in proportion to a taxpayer’s needs. Such a credit addresses economic disparities in a systemic way, and provides our low-income working families and parents with additional funds to purchase basic necessities, contribute to Hawai‘i’s economy, and achieve economic self-sufficiency. By converting the current EITC to a “refundable” credit, this measure would allow our lowest-income families to more fully realize these benefits, and encourage the asset building necessary for their increased financial security and self-sufficiency. OHA notes that any reductions in tax revenue from this conversion will likely be offset by increased consumer spending and economic activity, as well as the long-term increase in credit recipients’ financial capacity.

Therefore, OHA urges the Committee to **PASS** HB2703. Mahalo for the opportunity to testify on this matter.

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<sup>i</sup> Out of 71,006 Native Hawaiian households, 37,562 households are owner-occupied. This figure is commonly used by most governmental agencies to represent the homeownership rate. Therefore, the homeownership rate for Native Hawaiians is 52.9% compared to the statewide average of 56.7% of households. See OFFICE OF HAWAIIAN AFFAIRS, OHA DATA BOOK HOUSING TENURE BY RACE-ETHNICITY IN HAWAI‘I 2014, available at <http://www.ohadatabook.com/T02-131-15u.pdf>. This figure includes 8,329 DHHL residential lease “owner-occupied” property units. DHHL ANNUAL REPORT 2014, p. 48, available at <http://dhhl.hawaii.gov/wp-content/uploads/2011/11/DHHL-Annual-Report-2014-Web.pdf>. For non-DHHL properties, the Native Hawaiian homeownership rate is therefore 41.2%, 15.5 percentage points below the statewide rate.

<sup>ii</sup> 24.8% of Native Hawaiian households, compared to 9.6% of state households include more than two generations or unrelated individuals. See SMS, HAWAI‘I HOUSING PLANNING STUDY, at 34 (2016), available at [https://dbedt.hawaii.gov/hhfdc/files/2017/03/State\\_HHPS2016\\_Report\\_031317\\_final.pdf](https://dbedt.hawaii.gov/hhfdc/files/2017/03/State_HHPS2016_Report_031317_final.pdf).

<sup>iii</sup> 14.1% of Native Hawaiian households, compared to 4.2% of state households have a hidden homeless family member. *Id.*

<sup>iv</sup> See SMS, HAWAI‘I HOUSING PLANNING STUDY, at 34 (2016), available at [https://dbedt.hawaii.gov/hhfdc/files/2017/03/State\\_HHPS2016\\_Report\\_031317\\_final.pdf](https://dbedt.hawaii.gov/hhfdc/files/2017/03/State_HHPS2016_Report_031317_final.pdf).



# HAWAII APPLESEED

## CENTER FOR LAW & ECONOMIC JUSTICE

**LATE**

Testimony of Hawai'i Appleseed Center for Law and Economic Justice  
Supporting HB 2703 -- Relating to Housing Affordability  
House Committee on Housing  
Scheduled for hearing on Thursday, February 8, 2018, 9:30 AM, in Conference Room 423

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Dear Chair Brower, Vice Chair Nakamura, and members of the Committee:

Thank you for the opportunity to testify in **STRONG SUPPORT** of **HB 2703**, which would allocate a portion of the conveyance tax revenues to the rental assistance revolving fund to be used to subsidize rents for persons who meet certain income requirements; increase the income tax credit for low-income household renters, and make the state earned income tax credit refundable.

As you know, Hawai'i has the highest rate of homelessness in the nation. A major cause of this crisis is our skyrocketing cost of housing, which is also the highest in the nation. To afford a 2-bedroom market-rate apartment, a Hawai'i resident would need to earn over \$35 per hour, or over \$73,000 per year. As a result, the gap between this "housing wage" and the average renter's wage is also the highest in the nation, at \$19.56 per hour.<sup>i</sup>

More than half of our state's renters are housing cost-burdened, spending more than 30 percent of their income on rent. An astounding three-quarters of Hawai'i residents living at or near the poverty line (which is approximately 30 percent of area median income) spend more than 50 percent of their incomes on rent.<sup>ii</sup>

HB 2703 would help low-income and working-class families in our state make their rent payments every month, which in turn would help many avoid evictions and falling into homelessness.

The first part of the bill directs an unspecified amount of conveyance tax revenues to the rental assistance housing fund, specifically to subsidize rents for individuals or families whose income does not exceed thirty per cent of the area median income. As noted above, those are the people who are struggling most desperately to pay their rent and therefore need such subsidies the most.

The second part of the bill increases the Low-Income Household Renters' Credit by an unspecified amount. The renters' credit was created 40 years ago to help make up for the high rents and tax rates that burden our low- and moderate-income neighbors. However, it has not been updated in nearly three decades to even account for inflation.

In order to fully catch up with inflation, the maximum value of the renters' credit should be

raised to \$150 per exemption (with phase-out levels set at \$100 and \$50), and the eligibility threshold to just above the median<sup>iii</sup>, which is \$75,000 in annual income for joint filers. The credit's amounts also should be tailored to recognize different tax filing statuses, as well as automatically adjust with inflation, in order to avoid future erosion of the credit's value and reach.

The third part of the bill makes our state's EITC refundable. We thank the Legislature for creating the Hawai'i state EITC last session. However, it is not as effective as it could be because it is not refundable, which means that tax filers can't get back more through the credit than what they owe in state income tax.

Take the example of a single parent with two children, working full-time at the minimum wage. She would make \$21,000 per year and owe approximately \$432 in state income tax. Her state EITC would total approximately \$883, but because it is not refundable, she would only be able claim \$432, the amount that she owes in income tax.

However, if the EITC were refundable – as it is at the federal level and in 24 of the 29 other states with EITCs – she would get to claim the full \$883, which means she'd get a tax refund of \$451. She could use that to help pay the rent. We recommend that the amount of the credit not be lowered below its current value of 20 percent of the federal EITC.

Finally, we'd like to identify a potential source of revenue for the provisions of this bill. HB 2702 would collect taxes from out-of-state residents who receive income generated by Hawai'i real estate investment trusts (REITs). Since those funds would come from real estate, it makes sense for them to be spent in ways to help local residents afford their housing.

We appreciate your consideration of this testimony.

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<sup>i</sup> *Out of Reach 2017*, National Low Income Housing Coalition, [http://nlihc.org/sites/default/files/oor/OOR\\_2017.pdf](http://nlihc.org/sites/default/files/oor/OOR_2017.pdf)

<sup>ii</sup> *2017 State Housing Profile: Hawaii*, National Low Income Housing Coalition, [http://nlihc.org/sites/default/files/SHP\\_HI.pdf](http://nlihc.org/sites/default/files/SHP_HI.pdf)

<sup>iii</sup> Hawaii Rankings and Comparisons, Department of Business, Economic Development & Tourism, <http://dbedt.hawaii.gov/economic/ranks/>