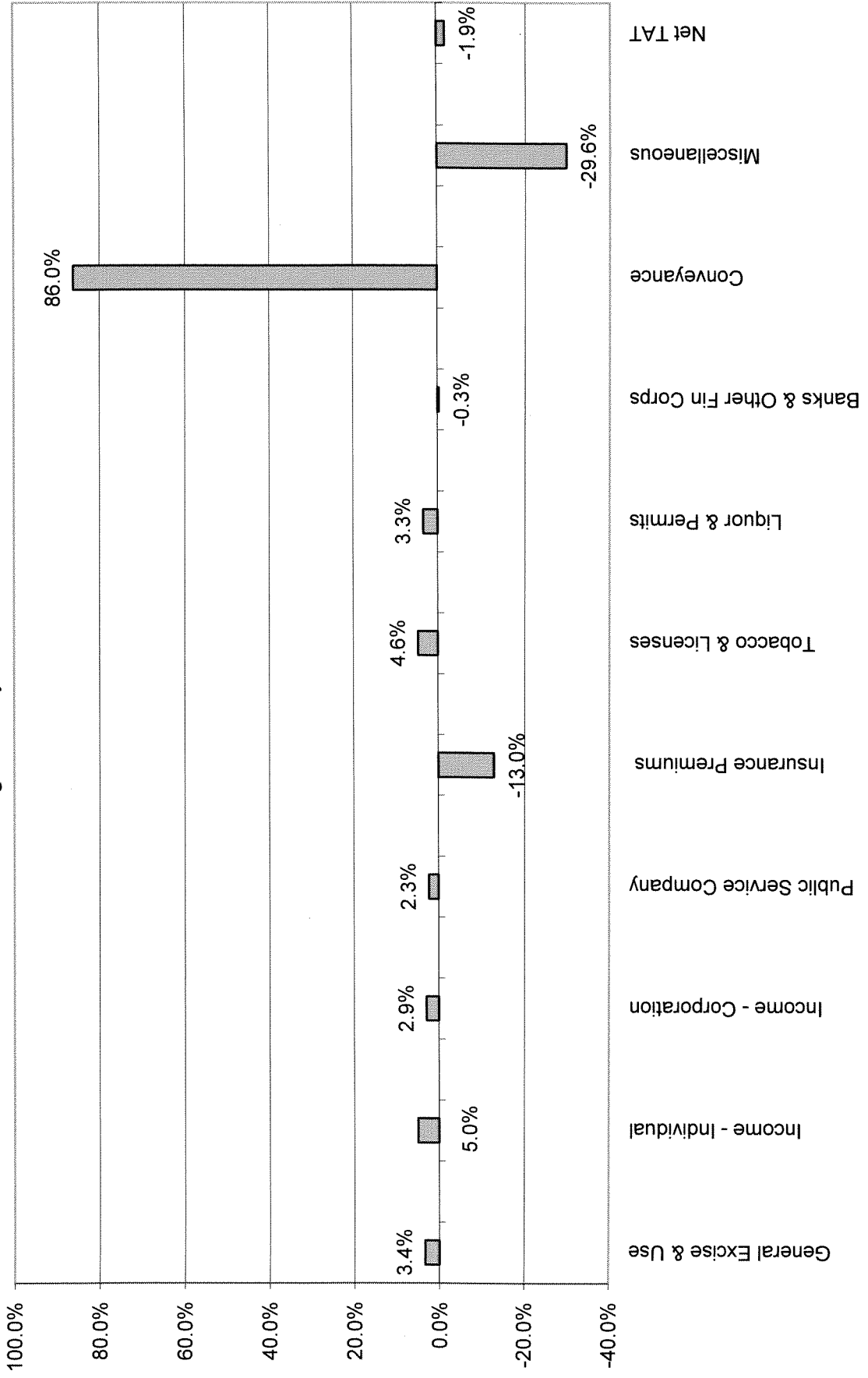


**Table 1. - FY 2008 General Fund Tax Revenues: Forecast vs. Actual**

Type of Tax	Actual (\$1,000)	January 2008		Actual Economic Indicators as of January 2009		
		Forecast (\$1,000)	Difference (\$1,000)	Forecast (\$1,000)	Difference (\$1,000)	(%)
General Excise & Use	\$2,618,787	\$2,707,479	\$88,692	\$2,663,953	\$45,166	1.7%
Income - Individual	1,544,307	1,621,493	77,186	1,589,129	44,822	2.9%
Income - Corporation	85,081	87,550	2,469	81,866	-3,215	-3.8%
Public Service Company	127,481	130,372	2,891	130,303	2,822	2.2%
Insurance Premiums	95,742	83,334	-12,408	83,334	-12,408	-13.0%
Tobacco & Licenses	83,443	87,294	3,851	85,180	1,737	2.1%
Liquor & Permits	45,620	47,137	1,517	46,631	1,011	2.2%
Banks & Other Fin Corps	18,212	18,157	-55	18,095	-117	-0.6%
Conveyance	6,513	12,116	5,603	12,116	5,603	86.0%
Miscellaneous	750	528	-222	528	-222	-29.6%
Net TAT	15,935	15,636	-299	14,975	-960	-6.0%
TOTAL	\$4,641,871	\$4,811,096	169,225	\$4,726,110	84,239	1.8%
GROWTH RATE	1.2%	4.9%		3.1%		

# Figure 1 - FY 2008 Forecast Errors

Using January 2008 Forecast



**Table 2. - ESTIMATES OF GENERAL FUND TAX REVENUE: FY 2009 to FY 2015**

(in thousands of dollars)

TYPE OF TAX	ACTUAL		ESTIMATED						
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
General Excise & Use 2/, 3/	\$2,555,762	\$2,618,787	\$2,525,826	\$2,559,372	\$2,636,845	\$2,718,256	\$2,878,109	\$3,067,403	\$3,243,429
Income - Individual	1,559,690	1,544,307	1,483,626	1,496,161	1,566,489	1,692,581	1,795,870	1,912,437	2,064,995
Income - Corporation	81,834	85,081	78,399	70,469	66,126	73,515	81,829	92,364	103,748
Public Service Company	124,017	127,481	136,038	143,775	151,595	159,775	168,086	176,744	186,436
Insurance Premiums	92,196	95,742	96,607	97,843	100,823	115,111	123,521	130,724	135,471
Tobacco & Licenses	84,219	83,443	93,867	94,278	96,637	99,573	102,487	105,478	108,549
Liquor & Permits	46,034	45,620	45,065	45,973	47,309	48,572	49,757	50,936	52,092
Banks & Other Fin Corps	16,599	18,212	15,771	14,401	15,106	22,122	26,222	30,164	33,973
Conveyance 4/	7,033	6,513	13,853	12,528	11,214	9,912	8,621	7,341	6,073
Miscellaneous *	1,120	751	590	589	588	587	586	585	584
Transient Accommodation Tax 1/	17,076	15,935	12,974	12,253	14,077	16,266	18,558	20,957	23,467
<b>NET TOTAL</b>	<b>\$4,585,580</b>	<b>\$4,641,872</b>	<b>\$4,502,616</b>	<b>\$4,547,642</b>	<b>\$4,706,809</b>	<b>\$4,956,270</b>	<b>\$5,253,646</b>	<b>\$5,595,133</b>	<b>\$5,958,817</b>
<b>GROWTH RATE</b>	<b>3.4%</b>	<b>1.2%</b>	<b>-3.0%</b>	<b>1.0%</b>	<b>3.5%</b>	<b>5.3%</b>	<b>6.0%</b>	<b>6.5%</b>	<b>6.5%</b>

Notes:

1/ Deposits of 44.8% of TAT revenues to counties (Act 156, SLH 1998); 32.6% to the tourism special fund and 5.3% to the TAT trust fund (Act 250, SLH 2002); 17.3% to the convention center enterprise fund (Act 233, SLH 2002); all net of general fund deposits of excess of fund ceilings. Act 235, SLH 2005, increases allocation to the tourism special fund to 34.2% and repeals the TAT trust fund. Effective on July 1, 2007. Act 209, SLH 2006, increases ceiling on allocation to the convention center enterprise fund to \$33 million. Effective on July 1, 2006.

2/ FY 2012 excludes \$40 million, due to June 30, 2012 falling on a weekend. FY 2014 includes \$40 million, estimated spillover from June 30, 2013 falling on weekend.

3/ Act 209, SLH 2007, exempts gross income received from the sale of alcohol fuel from the general excise tax. Effective on July 1, 2007, provided that the exemption repeals on June 30, 2009.

4/ Due to the expiration of Act 222, SLH 2007, on June 30, 2008, the amount of conveyance tax deposited into the General Fund increased from 15% to 35%.

\* Includes inheritance and estate tax.

**Table 3**  
**FORECASTS OF KEY ECONOMIC INDICATORS: FY 2009 TO FY 2015**

**A. VALUE**

Council MEAN Forecasts	2009	2010	2011	2012	2013	2014	2015
Total Personal Income (\$1982-1984 mil.)	22,704	22,817	23,183	23,600	24,048	24,529	25,044
Total Personal Income (\$ mil.)	52,370	53,575	55,289	57,556	60,031	62,732	65,743
Construction Completed (\$ mil.)	7,822	7,541	7,375	7,478	7,747	8,142	8,631
Honolulu CPIU (1982-1984=100)	231	235	239	244	249	255	262
Visitor Arrivals (1,000)	6,582	6,667	6,867	7,032	7,194	7,352	7,499
U.S. GDP in Current Dollars (\$ bil.)	14,460	14,749	15,413	16,183	16,944	17,740	18,574
U.S. GDP Deflator (2000=100)	124	126	128	131	134	137	139
Calendar Year Wages (\$ mil.)	25,119	25,496	26,057	26,917	27,913	29,057	30,365
Visitor Expenditures (\$ mil.)	11,550	11,862	12,348	12,842	13,355	13,903	14,459
Hawaii Real GDP (\$2000 mil.)	50,278	50,479	51,286	52,261	53,254	54,319	55,460

**B. ANNUAL PERCENTAGE GROWTH RATE**

Total Personal Income (\$1982-1984 mil.)	-0.7	0.5	1.6	1.8	1.9	2.0	2.1
Total Personal Income (\$ mil.)	1.8	2.3	3.2	4.1	4.3	4.5	4.8
Construction Completed (\$ mil.)	-2.0	-3.6	-2.2	1.4	3.6	5.1	6.0
Honolulu CPIU (1982-1984=100)	2.5	1.8	1.6	2.2	2.3	2.4	2.6
Visitor Arrivals (1,000)	-10.0	1.3	3.0	2.4	2.3	2.2	2.0
U.S. GDP in Current Dollars (\$ bil.)	2.5	2.0	4.5	5.0	4.7	4.7	4.7
U.S. GDP Deflator (2000=100)	2.2	1.6	2.2	2.2	2.0	2.0	2.0
Calendar Year Wages (\$ mil.)	1.8	1.5	2.2	3.3	3.7	4.1	4.5
Visitor Expenditures (\$ mil.)	-6.1	2.7	4.1	4.0	4.0	4.1	4.0
Hawaii Real GDP (\$2000 mil.)	-0.1	0.4	1.6	1.9	1.9	2.0	2.1