
A BILL FOR AN ACT

RELATING TO CARE PROVIDERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that long-term care
2 providers, such as care homes and foster homes, and child care
3 service providers are vital components to Hawaii's economy and
4 communities. Community-based assisted living facilities provide
5 cost-cutting alternatives to otherwise expensive nursing homes.
6 Child care facilities provide services to hard working parents
7 and guardians with children who are too young to qualify for
8 preschool. By providing economic incentives, the State can grow
9 these health and human service industries and create jobs in
10 Hawaii by increasing the number of providers.

11 The legislature finds that reducing the impact of the
12 general excise tax will incentivize the growth of the health and
13 human service industries. Assisted living facilities and child
14 care facilities are embedded within communities by being home-
15 based, which means that existing housing space is used to
16 provide these services. Renting housing facilities translates
17 into a cost to these providers. With limited housing available



1 to Hawaii residents at high rental rates, the State must
 2 maintain and provide affordable housing and rentals to these
 3 service providers to alleviate negative impacts to the cost of
 4 their services. General excise tax exemptions to property
 5 owners who lease to care providers will increase the number of
 6 affordable rental facilities available to be leased.

7 The purpose of this Act is to provide a general excise tax
 8 exemption for owners who lease property to assisted living
 9 providers and child care providers.

10 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
 11 amended by adding a new section to be appropriately designated
 12 and to read as follows:

13 "§237- Exemption for leasing to certified or approved
 14 community assisted living facilities and child care facilities.

15 (a) All gross income received by any qualified person leasing
 16 in the State to operators of adult foster homes under section
 17 321-11.2, adult residential care homes, assisted living
 18 facilities, community care foster family homes as defined in
 19 section 321-481, developmental disabilities domiciliary homes as
 20 defined in section 321-15.9, expanded adult residential care
 21 homes as defined in section 321-15.1, and child care facilities



1 as defined in section 346-15 shall be exempt from general excise
2 taxes.

3 (b) The director of taxation and the director of health
4 shall adopt rules pursuant to chapter 91 for the purpose of this
5 section, including any time limitations for the exemptions."

6 SECTION 3. New statutory material is underscored.

7 SECTION 4. This Act shall take effect on July 1, 2015;
8 provided that section 2 of this Act shall apply to taxable years
9 beginning after December 31, 2016.

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INTRODUCED BY:

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JAN 23 2015



H.B. NO. 422

Report Title:

General Excise Tax Exemption; Care Providers

Description:

Provides a general excise tax for property owners who lease to assisted living providers and child care providers.

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