

JAN 19 2018

A BILL FOR AN ACT

RELATING TO THE CONVEYANCE TAX.

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

1 SECTION 1. Section 247-2, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§247-2 Basis and rate of tax.** The tax imposed by section
4 247-1 shall be based on the actual and full consideration
5 (whether cash or otherwise, including any promise, act,
6 forbearance, property interest, value, gain, advantage, benefit,
7 or profit), paid or to be paid for all transfers or conveyance
8 of realty or any interest therein, that shall include any liens
9 or encumbrances thereon at the time of sale, lease, sublease,
10 assignment, transfer, or conveyance, and shall be at the
11 following rates:

12 (1) Except as provided in paragraph (2):

13 (A) Ten cents per \$100 for properties with a value of
14 less than \$600,000;

15 (B) Twenty cents per \$100 for properties with a value
16 of at least \$600,000, but less than \$1,000,000;



S.B. NO. 2415

- 1 (C) Thirty cents per \$100 for properties with a value
- 2 of at least \$1,000,000, but less than \$2,000,000;
- 3 (D) Fifty cents per \$100 for properties with a value
- 4 of at least \$2,000,000, but less than \$4,000,000;
- 5 (E) Seventy cents per \$100 for properties with a
- 6 value of at least \$4,000,000, but less than
- 7 \$6,000,000;
- 8 (F) Ninety cents per \$100 for properties with a value
- 9 of at least \$6,000,000, but less than
- 10 \$10,000,000; and
- 11 (G) [~~One-dollar~~] \$1 per \$100 for properties with a
- 12 value of \$10,000,000 or greater; and
- 13 (2) For the sale of a condominium or single family
- 14 residence for which the purchaser is ineligible for a
- 15 county homeowner's exemption on property tax:
- 16 (A) Fifteen cents per \$100 for properties with a
- 17 value of less than \$600,000;
- 18 (B) Twenty-five cents per \$100 for properties with a
- 19 value of at least \$600,000, but less than
- 20 \$1,000,000;



- 1 (C) Forty cents per \$100 for properties with a value
2 of at least \$1,000,000, but less than \$2,000,000;
- 3 (D) [~~Sixty cents~~] \$1 per \$100 for properties with a
4 value of at least \$2,000,000, but less than
5 \$4,000,000;
- 6 (E) [~~Eighty five cents~~] \$2 per \$100 for properties
7 with a value of at least \$4,000,000, but less
8 than \$6,000,000;
- 9 (F) [~~One dollar and ten cents~~] \$3 per \$100 for
10 properties with a value of at least \$6,000,000,
11 but less than \$10,000,000; and
- 12 (G) [~~One dollar and twenty five cents~~] \$4 per \$100
13 for properties with a value of \$10,000,000 or
14 greater,
- 15 of such actual and full consideration; provided that in the case
16 of a lease or sublease, this chapter shall apply only to a lease
17 or sublease whose full unexpired term is for a period of five
18 years or more, and in those cases, including (where appropriate)
19 those cases where the lease has been extended or amended, the
20 tax in this chapter shall be based on the cash value of the
21 lease rentals discounted to present day value and capitalized at



S.B. NO. 2415

1 the rate of six per cent, plus the actual and full consideration
2 paid or to be paid for any and all improvements, if any, that
3 shall include on-site as well as off-site improvements,
4 applicable to the leased premises; and provided further that the
5 tax imposed for each transaction shall be not less than \$1."

6 SECTION 2. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 3. This Act shall take effect on July 1, 2018.

9

INTRODUCED BY:

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S.B. NO. 2415

Report Title:

Conveyance Tax; Investment Property

Description:

Raises the conveyance tax rates for residential investment properties with a value of at least \$2,000,000.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

