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# 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;



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



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

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 Statutory material to be repealed is bracketed  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

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



**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. (SD1)

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

