A BILL FOR AN ACT

RELATING TO CONVEYANCE TAX.

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

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

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

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

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

(B) Twenty cents per $100 for properties with a value of at least $600,000, but less than $1,000,000;
(C) Thirty cents per $100 for properties with a value of at least $1,000,000, but less than $2,000,000;

(D) Fifty cents per $100 for properties with a value of at least $2,000,000, but less than $4,000,000;

(E) Seventy cents per $100 for properties with a value of at least $4,000,000, but less than $6,000,000;

(F) Ninety cents per $100 for properties with a value of at least $6,000,000, but less than $10,000,000; and

(G) One dollar per $100 for properties with a value of $10,000,000 or greater; and

(2) For the sale of a condominium or single family residence for which the purchaser is ineligible for a county homeowner's exemption on property tax:

(A) Fifteen cents per $100 for properties with a value of less than $600,000;

(B) Twenty-five cents per $100 for properties with a value of at least $600,000, but less than $1,000,000;
(C) Forty cents per $100 for properties with a value of at least $1,000,000, but less than $2,000,000;

(D) Sixty cents per $100 for properties with a value of at least $2,000,000, but less than $4,000,000;

(E) Eighty-five cents per $100 for properties with a value of at least $4,000,000, but less than $6,000,000;

(F) One dollar and ten cents per $100 for properties with a value of at least $6,000,000, but less than $10,000,000; and

(G) One dollar and twenty-five cents per $100 for properties with a value of $10,000,000 or greater,

of such the actual and full consideration; provided that in the case of a lease or sublease, [this chapter shall apply only to a lease or sublease whose full unexpired term is for a period of five years or more, and in those cases, including (where appropriate) those cases where the lease has been extended or amended,] the tax in this chapter shall be based on the cash value of the lease rentals discounted to present day value and capitalized at the rate of six per cent, plus the actual and
full consideration paid or to be paid for any and all
improvements, if any, that shall include on-site as well as off-
site improvements, applicable to the leased premises; and
provided further that the tax imposed for each transaction shall
be not less than $1."

SECTION 2. This Act does not affect rights and duties that
matured, penalties that were incurred, and proceedings that were
begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed
and stricken.

SECTION 4. This Act shall take effect on July 1, 2019.

INTRODUCED BY:
Report Title:
Taxation; Conveyance Tax; Realty; Leases

Description:
Repeals exemption from conveyance tax for realty leases of less than 5 years.

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