

JAN 18 2019

A BILL FOR AN ACT

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



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

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

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 Statutory material to be repealed is bracketed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

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

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INTRODUCED BY:

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S.B. NO. 395

Report Title:

Taxation; Conveyance Tax; Realty; Leases

Description:

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

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