
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 247-3, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§247-3 Exemptions.** The tax imposed by section 247-1
4 shall not apply to:

5 (1) Any document or instrument that is executed prior to
6 January 1, 1967;

7 (2) Any document or instrument that is given to secure a
8 debt or obligation;

9 (3) Any document or instrument that only confirms or
10 corrects a deed, lease, sublease, assignment,
11 transfer, or conveyance previously recorded or filed;

12 (4) Any document or instrument between husband and wife,
13 reciprocal beneficiaries, or parent and child, in
14 which only a nominal consideration is paid;

15 (5) Any document or instrument in which there is a
16 consideration of \$100 or less paid or to be paid;



- 1 (6) Any document or instrument conveying real property
- 2 that is executed pursuant to an agreement of sale, and
- 3 where applicable, any assignment of the agreement of
- 4 sale, or assignments thereof; provided that the taxes
- 5 under this chapter have been fully paid upon the
- 6 agreement of sale, and where applicable, upon such
- 7 assignment or assignments of agreements of sale;
- 8 (7) Any deed, lease, sublease, assignment of lease,
- 9 agreement of sale, assignment of agreement of sale,
- 10 instrument or writing in which the United States or
- 11 any agency or instrumentality thereof or the State or
- 12 any agency, instrumentality, or governmental or
- 13 political subdivision thereof are the only parties
- 14 thereto;
- 15 (8) Any document or instrument executed pursuant to a tax
- 16 sale conducted by the United States or any agency or
- 17 instrumentality thereof or the State or any agency,
- 18 instrumentality, or governmental or political
- 19 subdivision thereof for delinquent taxes or
- 20 assessments;



- 1 (9) Any document or instrument conveying real property to
2 the United States or any agency or instrumentality
3 thereof or the State or any agency, instrumentality,
4 or governmental or political subdivision thereof
5 pursuant to the threat of the exercise or the exercise
6 of the power of eminent domain;
- 7 (10) Any document or instrument that solely conveys or
8 grants an easement or easements;
- 9 (11) Any document or instrument whereby owners partition
10 their property, whether by mutual agreement or
11 judicial action; provided that the value of each
12 owner's interest in the property after partition is
13 equal in value to that owner's interest before
14 partition;
- 15 (12) Any document or instrument between marital partners or
16 reciprocal beneficiaries who are parties to a divorce
17 action or termination of reciprocal beneficiary
18 relationship that is executed pursuant to an order of
19 the court in the divorce action or termination of
20 reciprocal beneficiary relationship;



- 1 (13) Any document or instrument conveying real property
2 from a testamentary trust to a beneficiary under the
3 trust;
- 4 (14) Any document or instrument conveying real property
5 from a grantor to the grantor's revocable living
6 trust, or from a grantor's revocable living trust to
7 the grantor as beneficiary of the trust;
- 8 (15) Any document or instrument conveying real property, or
9 any interest therein, from an entity that is a party
10 to a merger or consolidation under chapter 414, 414D,
11 415A, 421, 421C, 425, 425E, or 428 to the surviving or
12 new entity;
- 13 (16) Any document or instrument conveying real property, or
14 any interest therein, from a dissolving limited
15 partnership to its corporate general partner that
16 owns, directly or indirectly, at least a ninety per
17 cent interest in the partnership, determined by
18 applying section 318 (with respect to constructive
19 ownership of stock) of the federal Internal Revenue
20 Code of 1986, as amended, to the constructive
21 ownership of interests in the partnership; [and]



1 [+] (17) [+] Any document or instrument that conforms to the
2 transfer on death deed as authorized under chapter
3 527[-]; and

4 (18) Any document or instrument conveying real property
5 during the period from June 30, 2024, to December 31,
6 2025, with a value of no more than \$2,000,000 to an
7 individual who:

8 (A) Is not an immediate family member of any owner of
9 the property;

10 (B) Does not have a direct or indirect ownership
11 interest in the property;

12 (C) Does not have a direct or indirect ownership
13 interest in any other real property; and

14 (D) Intends to immediately occupy the property as the
15 individual's primary residence for a period of
16 not less than two years;

17 provided that the property was furnished as a
18 transient accommodation, as defined in section 237D-1,
19 during the period from January 1, 2023, to June 30,
20 2024; and provided further that all outstanding taxes
21 imposed under chapters 235, 237, and 237D for gross



1 income, gross rental, or gross rental proceeds
 2 received for the furnishing of the property as a
 3 transient accommodation has been paid."

4 SECTION 2. Section 247-6, Hawaii Revised Statutes, is
 5 amended by amending subsection (b) to read as follows:

6 "(b) No certificate is required to be filed for any
 7 document or instrument made exempt by section 247-3, except that
 8 in the following situations, a certificate shall be filed in the
 9 manner and place that the director shall prescribe, within
 10 ninety days after the transaction or prior to the recordation or
 11 filing of the document or instrument with the registrar of
 12 conveyances or the assistant registrar of the land court or
 13 after the ninety-day period, recordation, or filing as the
 14 director shall prescribe:

15 (1) For any document or instrument described under section
 16 247-3(3), any party to the document or instrument
 17 shall file a certificate declaring that the document
 18 or instrument merely confirms or corrects a deed,
 19 lease, sublease, assignment, transfer, or conveyance
 20 previously recorded or filed.



- 1 (2) For any document or instrument described under section
2 247-3(4), any party to the document or instrument
3 shall file a certificate declaring the amount of the
4 nominal consideration paid and marital or parental
5 relationship of the parties.
- 6 (3) For any document or instrument described under section
7 247-3(5), any party to the document or instrument
8 shall file a certificate declaring the reasons why the
9 consideration is \$100 or less.
- 10 (4) For any document or instrument described in section
11 247-3(6), any party to the document or instrument
12 shall file a certificate declaring that the document
13 or instrument is made pursuant to an agreement of
14 sale, and where applicable, an assignment or
15 assignments of agreements of sale.
- 16 (5) For any document or instrument described under section
17 247-3(8), any person made a party to the document or
18 instrument as grantee, assignee, or transferee shall
19 file a certificate declaring the full and actual
20 consideration of the property transferred.



- 1 (6) For any document or instrument described under section
2 247-3(11), any party to the document or instrument
3 shall file a certificate declaring each owner's:
4 (A) Undivided interest in the real property and the
5 value of that interest before partition; and
6 (B) Proportionate interest and the value of that
7 interest after partition.
- 8 (7) For any document or instrument described under section
9 247-3(12), any party to the document or instrument
10 shall file a certificate declaring that the document
11 or instrument is made pursuant to an order of the
12 court and containing the court case number.
- 13 (8) For any document or instrument described under section
14 247-3(13), any party to the document or instrument
15 shall file a certificate declaring that the document
16 or instrument conveys real property from a
17 testamentary trust to a trust beneficiary.
- 18 (9) For any document or instrument described under section
19 247-3(14), any party to the document or instrument
20 shall file a certificate declaring that the document
21 or instrument conveys real property from the grantor



1 to a grantor's revocable living trust or from a
 2 grantor's revocable living trust to the grantor.
 3 (10) For any document or instrument described under section
 4 247-3(18), any party to the document or instrument
 5 shall file:
 6 (A) A declaration signed under penalty of perjury by
 7 the transferee, declaring their intent to
 8 immediately occupy the property as their primary
 9 residence for a period of no less than two years;
 10 and
 11 (B) Certificates from the appropriate parties
 12 declaring that all requirements in section 247-
 13 3(18) have been met."

14 SECTION 3. Statutory material to be repealed is bracketed
 15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 3000, and
 17 shall be repealed on January 1, 2026; provided that sections
 18 247-3 and 247-6, Hawaii Revised Statutes, shall be reenacted in
 19 the form in which they read on the day prior to the effective
 20 date of this Act.



Report Title:

Conveyance Tax; Transient Accommodation; Exemption

Description:

Provides a conveyance tax exemption for certain real property furnished as a transient accommodation. Repeals 1/1/2026. Effective 7/1/3000. (HD1)

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

