
A BILL FOR AN ACT

RELATING TO TAXES.

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

1 SECTION 1. The legislature finds that the ownership of
2 residential properties in the State by non-residents:

3 (1) Increases land speculation in the residential sector,
4 leading to spiraling high prices and attendant high
5 rents for housing in the State;

6 (2) Makes it more competitive and therefore, difficult for
7 young local residents to purchase their own homes; and

8 (3) Permits, in many cases, the absentee owner to avoid
9 paying income and general excise taxes to the State
10 while the residential property still consumes local
11 infrastructure and public services at a cost to local
12 residents.

13 The purpose of this Act is to impose a surtax on the real
14 property taxes that are levied on any residential property that
15 is owned by a non-resident of the State.

16 SECTION 2. Each county shall charge a surtax of per
17 cent of the real property taxes it levies on all residential



1 properties within its jurisdiction that are owned by non-
2 residents of the State.

3 SECTION 3. The surcharge imposed by section 2 shall be
4 levied on tax years starting after December 31, 2007.

5 SECTION 4. This Act shall take effect on July 1, 2007.

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INTRODUCED BY:

J. Phil. Krumm (BR)

JAN 24 2007



Report Title:

Counties; Real Property Tax; Non-resident Residential Property Owners

Description:

Requires counties to add a surtax to the real property taxes paid by non-resident owners of residential properties.

