
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;

17 and



1 (C) Thirty cents per \$100 for properties with a value
2 of \$1,000,000 or greater; and
3 (2) For the sale of a condominium or single family
4 residence for which the purchaser is ineligible for a
5 county homeowner's exemption on property tax:
6 (A) [~~Fifteen~~] Thirty cents per \$100 for properties
7 with a value of less than \$600,000;
8 (B) [~~Twenty-five~~] Forty cents per \$100 for properties
9 with a value of at least \$600,000, but less than
10 \$1,000,000; and
11 (C) [~~Thirty-five~~] Seventy cents per \$100 for
12 properties with a value of \$1,000,000 or greater,
13 of such actual and full consideration; provided that in the case
14 of a lease or sublease, this chapter shall apply only to a lease
15 or sublease whose full unexpired term is for a period of five
16 years or more, and in those cases, including (where appropriate)
17 those cases where the lease has been extended or amended, the
18 tax in this chapter shall be based on the cash value of the
19 lease rentals discounted to present day value and capitalized at
20 the rate of six per cent, plus the actual and full consideration
21 paid or to be paid for any and all improvements, if any, that
22 shall include on-site as well as off-site improvements,



1 applicable to the leased premises; and provided further that the
2 tax imposed for each transaction shall be not less than \$1."

3 SECTION 2. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 3. This Act shall take effect on July 1, 2007.
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JAN 19 2007



Report Title:

Conveyance Tax Increase; Speculative Sales

Description:

Increases the conveyance tax rate for the sale of condominiums and single family residences for which the purchaser is ineligible for a county homeowner's exemption on property.

