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## A BILL FOR AN ACT

RELATING TO TAXATION.

**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.** (a) The tax imposed by  
4 section 247-1 shall be based on the actual and full  
5 consideration (whether cash or otherwise, including any promise,  
6 act, forbearance, property interest, value, gain, advantage,  
7 benefit, or profit), paid or to be paid for all transfers or  
8 conveyance of realty or any interest therein, that shall include  
9 any liens or encumbrances thereon at the time of sale, lease,  
10 sublease, assignment, transfer, or conveyance, and shall be at  
11 the 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;



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- 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;



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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 actual and full consideration; provided that in the case  
15 of a lease or sublease, this chapter shall apply only to a lease  
16 or sublease whose full unexpired term is for a period of five  
17 years or more, and in those cases, including (where appropriate)  
18 those cases where the lease has been extended or amended, the  
19 tax in this chapter shall be based on the cash value of the  
20 lease rentals discounted to present day value and capitalized at  
21 the rate of six per cent, plus the actual and full consideration



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

5 (b) In addition to the tax rate established by subsection  
6 (a), there shall be assessed a surcharge on the transfer or  
7 conveyance of a fee simple interest in residential realty at the  
8 following rates:

9 (1) Fifteen per cent on the tax rate established by  
10 subsection (a) if the interest is transferred or  
11 conveyed within one year of its acquisition by the  
12 transferor or conveyor; and

13 (2) Seven per cent on the tax rate established by  
14 subsection (a) if the interest is transferred or  
15 conveyed within two years of its acquisition by the  
16 transferor or conveyor."

17 SECTION 2. New statutory material is underscored.

18 SECTION 3. This Act shall take effect on July 1, 2015.

19  
INTRODUCED BY:

B. L. Kozulic

JAN 29 2015



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**Report Title:**

Conveyance Tax; Property Owner

**Description:**

Assesses an additional surcharge of fifteen percent for residential property sold within one year and seven percent for a residential property sold within two years of its purchase by an owner.

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

