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# A BILL FOR AN ACT

RELATING TO THE 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~~] paragraphs (2) [+]  
13           and (3):

14           (A) Ten cents per \$100 for properties with a value of  
15           less than \$600,000;

16           (B) Twenty cents per \$100 for properties with a value  
17           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[7]; and
- 14 (3) For non-residents who claim non-residency status at
- 15 the time of the conveyance; provided that this
- 16 paragraph shall not apply to a non-resident who is on
- 17 active military duty at the time of the conveyance:
- 18 (A) Twenty cents per \$100 for properties with a value
- 19 of less than \$600,000;
- 20 (B) Forty cents per \$100 for properties with a value
- 21 of at least \$600,000, but less than \$1,000,000;



- 1           (C) Sixty cents per \$100 for properties with a value
- 2                           of at least \$1,000,000, but less than \$2,000,000;
- 3           (D) One dollar per \$100 for properties with a value
- 4                           of at least \$2,000,000, but less than \$4,000,000;
- 5           (E) One dollar and forty cents per \$100 for
- 6                           properties with a value of at least \$4,000,000,
- 7                           but less than \$6,000,000;
- 8           (F) One dollar and eighty cents per \$100 for
- 9                           properties with a value of at least \$6,000,000,
- 10                          but less than \$10,000,000; and
- 11           (G) Two dollars per \$100 for properties with a value
- 12                           of \$10,000,000 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



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

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

7 SECTION 3. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9 SECTION 4. This Act, upon its approval, shall apply to  
10 taxable years beginning after December 31, 2019.

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INTRODUCED BY:

De He  
Stangor  
Lindstam  
W. D. D.  
C. K. C.

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# H.B. NO. 2028

**Report Title:**

Conveyance Tax; Non-residents

**Description:**

Adjusts conveyance tax rates for non-residents who are not active military members.

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

