
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER

5 EMPTY HOMES TAX

6 § -A Definitions. For the purposes of this chapter:

7 "Department" means the department of taxation.

8 "Director" means the director of taxation.

9 "Person" has the same meaning as defined in section 237-1.

10 "Residential real property" means fee simple or leasehold
11 real property on which currently is situated:

12 (1) From one to four dwelling units; or

13 (2) A residential condominium or cooperative apartment,
14 the primary use of which is occupancy as a residence.

15 "Vacant" means that the residential real property is in use
16 less than fifty days in a calendar year.



1 **§ -B Empty homes tax.** There is hereby imposed and shall
2 be levied, collected, and paid, an empty homes tax as
3 hereinafter provided, on all transfers or conveyances of a
4 vacant residential real property or any interest therein, by way
5 of deeds, leases, subleases, assignments of lease, agreements of
6 sale, assignments of agreement of sale, instruments, writings,
7 and any other document, whereby any lands, interests in land,
8 tenements, or other realty sold shall be granted, assigned,
9 transferred, or otherwise conveyed to, or vested in, the
10 purchaser or purchasers, lessee or lessees, sublessee or
11 sublessees, assignee or assignees, or any other person or
12 persons, by the person's or their direction. The tax shall be
13 equal to five per cent of the county real property tax assessed
14 value of the unit per year.

15 **§ -C Return and payments.** On or before the twentieth
16 day of each calendar month, every person taxable under this
17 chapter during the preceding calendar month shall file a sworn
18 return with the director in such form as the director shall
19 prescribe together with a remittance for the amount of the tax
20 required by section -B. Sections 237-30 and 237-32 shall
21 apply to returns and penalties made under this chapter to the



1 same extent as if the sections were set forth specifically in
2 this section.

3 § -D **Remittances.** The department shall deposit all
4 moneys collected pursuant to this chapter into the dwelling unit
5 revolving fund established pursuant to section 201H-191.

6 § -E **Appeals.** Any person aggrieved by any assessment of
7 the empty homes tax for any month or any year may appeal from
8 the assessment in the manner and within the time and in all
9 other respects as provided in the case of income tax appeals by
10 section 235-114.

11 § -F **Records to be kept; examination.** Every person
12 shall keep in the English language within the State, and
13 preserve for a period of three years, suitable records relating
14 to the empty homes tax levied and assessed under this chapter,
15 and such other books, records of account, and invoices as may be
16 required by the department, and all such books, records, and
17 invoices shall be open for examination at any time by the
18 department or the Multistate Tax Commission pursuant to chapter
19 255, or the authorized representative thereof.



1 § -G Administration and enforcement; rules. (a) The
2 director shall administer and enforce this chapter in respect
3 of:

4 (1) The examination of books and records of taxpayers and
5 other persons;

6 (2) Procedure and powers upon failure or refusal by a
7 person to make a return or proper return; and

8 (3) The general administration of this chapter.

9 (b) All of the provisions of chapter 237 not inconsistent
10 with this chapter and which may appropriately be applied to the
11 taxes, persons, circumstances, and situations involved in this
12 chapter, including (without prejudice to the generality of the
13 foregoing) provisions as to penalties and interest, and
14 provisions granting administrative powers to the department, and
15 provisions for the assessment, levy, and collection of taxes,
16 shall be applicable to the taxes imposed by this chapter, and to
17 the assessment, levy, and collection thereof.

18 (c) The director may adopt, amend, or repeal rules under
19 chapter 91 to carry out this chapter."

20 SECTION 2. Section 231-8.5, Hawaii Revised Statutes, is
21 amended by amending subsection (b) to read as follows:



1 "(b) If the requirements of subsection (c) are satisfied,
2 the department may require electronic filing of any tax return,
3 application, report, or other document required under the
4 provisions of title 14 administered by the department for the
5 following taxpayers:

- 6 (1) For withholding tax filings required under chapter
7 235, only employers whose total tax liability under
8 sections 235-61 and 235-62 for the calendar or fiscal
9 year exceeds \$40,000;
- 10 (2) For income tax filings required under chapter 235,
11 only taxpayers who are subject to tax under section
12 235-71, 235-71.5, or 235-72;
- 13 (3) For general excise tax filings required under chapter
14 237, only taxpayers whose total tax liability under
15 chapter 237 for the calendar or fiscal year exceeds
16 \$4,000;
- 17 (4) For transient accommodations tax filings required
18 under chapter 237D, only operators and plan managers
19 whose total tax liability under chapter 237D for the
20 calendar or fiscal year exceeds \$4,000; and



- 1 (5) For filings required under the following chapters, all
- 2 taxpayers subject to tax under those chapters:
- 3 (A) 236E;
- 4 (B) 239;
- 5 (C) 241;
- 6 (D) 243;
- 7 (E) 244D;
- 8 (F) 245; [~~and~~]
- 9 (G) 251 [~~-~~]; and
- 10 (H) _____."

11 SECTION 3. In codifying the new sections added by section
12 1 of this Act, the revisor of statutes shall substitute
13 appropriate section numbers for the letters used in designating
14 the new sections in this Act.

15 SECTION 4. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 5. This Act shall take effect on January 1, 2021.



S.B. NO. 2216
S.D. 1

Report Title:

Empty Homes Tax; Dwelling Unit Revolving Fund; Fair Market Rent

Description:

Establishes an empty homes conveyance tax against certain residential property owners who own a vacant residential unit in the State. (SD1)

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

