

JAN 21 2022

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# A BILL FOR AN ACT

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RELATING TO TAXES.

**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                               MULTIPLE RENTAL UNIT EXCISE TAX

6       § -1 Definitions. Whenever used in this chapter, unless  
7 otherwise required by the context:

8       "Qualified property" means real property that is offered  
9 for rent or lease as a dwelling. "Qualified property" does not  
10 include housing that is affordable to households with incomes at  
11 or below one hundred forty per cent of the median family income  
12 as determined by the United States Department of Housing and  
13 Urban Development.

14       "Qualified taxpayer" means a person or entity that owns a  
15 number of qualified properties during the calendar year equal to  
16 or greater than:

17       (1) Ten rental units; or



1           (2) Twenty-five total properties.

2           §   -2 Imposition and rate. (a) There is hereby levied  
3 and shall be assessed and collected annually a multiple rental  
4 unit excise tax equal to twenty-five per cent of the gross  
5 rental proceeds derived from qualified properties. "Gross  
6 rental proceeds" shall have the same meaning as in section  
7 237D-1.

8           (b) Every qualified taxpayer shall pay to the State the  
9 tax imposed by subsection (a), as provided in this chapter.

10          (c) Taxes levied and assessed pursuant to this section  
11 shall be deposited into the homes for families special fund.

12          (d) The tax imposed by this section shall not be passed on  
13 to tenants by way of increased rents and shall be imposed in  
14 addition to the tax levied under chapter 237D.

15          §   -3 Homes for families special fund. (a) There is  
16 established within the state treasury the homes for families  
17 special fund.

18          (b) The following moneys shall be deposited into the  
19 special fund:

20          (1) Taxes levied and assessed pursuant to section       -2;



(2) Any interest earned on the balance of the special fund; and

(3) Any appropriation by the legislature into the special fund.

(c) Subject to legislative appropriation, moneys in the special fund may be expended for housing and rent assistance programs.

§ -4 Chapter 235 and chapter 237 applicable. All of the provisions of chapter 235 and chapter 237 not inconsistent with this chapter and that may appropriately be applied to the taxes, persons, circumstances, and situations involved in this chapter, including (without prejudice to the generality of the foregoing) provisions as to penalties and interest, and provisions granting administrative powers to the department of taxation, and provisions for the assessment, levy, and collection of taxes, shall be applicable to the taxes imposed by this chapter, and to the assessment, levy, and collection thereof."

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2022-2023 for deposit into the homes for families special fund.

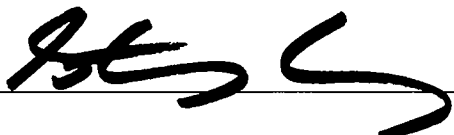


1           The sum appropriated shall be expended by the department of  
2   taxation for the purposes of this Act.

3           SECTION 3. This Act shall take effect on July 1, 2022.

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INTRODUCED BY:

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# S.B. NO. 2508

**Report Title:**

Rental Properties; Affordable Housing; Housing and Rental Assistance; Taxation; Appropriation

**Description:**

Establishes a tax on taxpayers who own ten or more rental houses or twenty-five or more properties to be levied at the rate of twenty-five percent of gross rental proceeds. Requires that moneys collected pursuant to this tax be deposited in a new Homes for Families Special Fund and expended on housing and rental assistance. Makes an appropriation.

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

