

JAN 21 2022

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The legislature finds that there is an issue
2 regarding the payment of appropriate taxes on the rent or rent-
3 equivalent obtained from irregular landlord-tenant arrangements
4 such as in a work-for-room-and-board or rent-to-own arrangement.
5 In particular, the legislature finds that landlords in rent-to-
6 own situations take advantage of the summary possession
7 proceedings instead of foreclosure actions without having paid
8 the general excise taxes or transient accommodation taxes
9 required in normal long- or short-term lease situations.

10 The purpose of this Act is to ensure that, prior to the
11 issuance of a writ of summary possession, a landlord must
12 provide proof of payment of general excise taxes and transient
13 accommodation taxes on rent or rent-equivalent paid by the
14 tenant during the period of tenancy.

15 SECTION 2. Chapter 666, Hawaii Revised Statutes, is
16 amended by adding a new section to be appropriately designated
17 and to read as follows:



1 "§666- Writ of possession; proof of payment of
2 applicable taxes. As a condition to the issuance of a writ of
3 possession, a landlord, lessor, or plaintiff in a summary
4 possession action shall submit to the issuing court general
5 excise tax returns showing a declaration of rents paid, a tax
6 clearance certificate from the department of taxation showing
7 payment of general excise tax on rentals, or both. These
8 records shall serve as rebuttable evidence of payment of all
9 general excise and transient accommodation taxes due to the
10 State, including penalties if applicable, for the entirety of
11 the tenancy at issue. For tenancies greater than twelve months,
12 a general excise tax return or tax clearance certificate that
13 reflects the preceding twelve months shall be deemed to satisfy
14 the requirements of this section."

15 SECTION 3. New statutory material is underscored.

16 SECTION 4. This Act shall take effect upon its approval.

17
INTRODUCED BY: 



S.B. NO. 2879

Report Title:

Landlord-Tenant; Summary Possession; Taxes

Description:

Requires certain landlords, lessors, or plaintiffs in a summary possession action to provide proof of payment of taxes due to the State as a condition of the issuance of a writ of possession.

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