
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 the State is
2 experiencing a growing mental health and housing crisis. In the
3 aftermath of the August 8, 2023, wildfires on Maui, these
4 concerns are increasingly more prevalent. An estimated two
5 thousand two hundred homes, apartments, and structures were
6 destroyed, leading to what has been termed a dire mental health
7 crisis. Additionally, many landlords on Maui will not rent to
8 tenants with pets, leaving Lahaina fire victims with pets
9 struggling to find housing.

10 The legislature additionally finds that the State's mental
11 health and housing concerns may be addressed through support
12 dedicated to human-animal companionship. To this end, human-
13 animal companionship has been linked to a reduction of feelings
14 of stress, anxiety, depression, and loneliness. In addition to
15 this, human-animal companionship has also been known to improve
16 cardiovascular and heart health as well as immune system
17 functioning. These combined benefits have led pet owners to go



1 to the doctor an estimated fifteen per cent less than non-pet
2 owners.

3 An increase in pet-friendly housing would also benefit the
4 State financially as it would reduce medicaid costs and costs
5 incurred from surrendered and abandoned pets, alleviate
6 homelessness, and aid mental health.

7 The purpose of this Act is to establish a pilot program
8 that would grant participating landlords a certain general
9 excise tax exemption for each unit they rent to a long-term
10 tenant with a pet.

11 SECTION 2. (a) The department of taxation shall establish
12 a one-year pilot program that would grant participating
13 landlords a certain general excise tax exemption for the gross
14 income derived from each unit they rent to a long-term tenant
15 with a pet.

16 (b) Prior to the implementation of the pilot program, the
17 department of taxation shall conduct a general survey to
18 prospective landlords and tenants statewide to evaluate interest
19 in the pilot program; provided that the survey shall not take
20 longer than four months.



1 (c) Under the pilot program, per cent of the gross
2 income derived from rental units that are rented by
3 participating landlords to long-term tenants with a pet shall be
4 exempted from the measure of taxes imposed by chapter 237,
5 Hawaii Revised Statutes.

6 (d) Landlords participating in the pilot program shall
7 register with the department of taxation and provide
8 documentation that the department deems necessary to verify that
9 the landlord qualifies to participate in the pilot program;
10 provided that the rental lease agreement is for a minimum of six
11 months during the duration of the pilot program.

12 (e) The director of taxation shall prepare forms as may be
13 necessary for taxpayers to participate in the pilot program.
14 The director may also adopt rules necessary to effectuate the
15 purposes of this Act.

16 (f) The department of taxation shall submit:
17 (1) A preliminary report of its survey results and
18 interest in the pilot program, including any proposed
19 legislation, to the legislature no later than twenty
20 days prior to the convening of the regular session of
21 2026; and



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1 (2) A final report of the efficacy and net cost savings to
2 the State, including any recommendations and proposed
3 legislation, to the legislature no later than twenty
4 days prior to the convening of the regular session of
5 2027.

6 (g) For the purposes of this section, "pet" means a "pet
7 animal" as that term is defined in section 711-1100, Hawaii
8 Revised Statutes.

9 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:



JAN 22 2025



H.B. NO. 1267

Report Title:

Pets; Tenant; Residential Landlord; Pilot Program; General Excise Tax Exemption; Department of Taxation

Description:

Requires the Department of Taxation to establish a pilot program that would grant participating landlords a certain general excise tax exemption for each unit they rent to a long-term tenant with a pet. Requires the Department of Taxation to submit reports to the Legislature.

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