
HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF TAXATION TO ESTABLISH A VACANT
HOMES SURCHARGE TASK FORCE TO RESEARCH AND REPORT ON THE
IMPACTS AND IMPLEMENTATIONS OF A GENERAL EXCISE TAX
SURCHARGE ON VACANT HOMES.

1 WHEREAS, an increasing number of residential properties in
2 Hawaii are being purchased as second homes and left largely
3 unoccupied throughout the year, creating adverse impacts on
4 local communities and the housing market; and

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6 WHEREAS, public infrastructure improvements made to areas
7 surrounding vacant second homes contribute to the appreciation
8 of property values, including the vacant homes, thereby
9 requiring taxpayers to indirectly subsidize private real estate
10 investments without commensurate economic returns to taxpayers;
11 and

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13 WHEREAS, the lack of available housing for residents has
14 contributed to rising home prices and rental costs, making it
15 more difficult for families to secure affordable housing; and

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17 WHEREAS, vacant homes that are not part of the long-term
18 rental market exacerbate the housing shortage and ultimately do
19 not contribute to the economy through occupancy-based spending;
20 and

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22 WHEREAS, a surcharge on vacant homes has the potential to
23 incentivize property owners to either occupy their properties or
24 make them available for long-term rental, thereby contributing
25 to Hawaii's housing inventory and local economy; and

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27 WHEREAS, such a surcharge could generate significant
28 revenue that may be used to support rental assistance programs
29 and other affordable housing initiatives; and



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WHEREAS, House Bill No. 489, Regular Session of 2025, among other things, establishes a general excise tax surcharge on an owner that allows a residential real property to remain vacant for one hundred eighty days or more in the previous calendar year; and

WHEREAS, implementing a vacant homes surcharge requires careful study to determine effective enforcement measures, economic impacts, and potential exemptions; now, therefore,

BE IT RESOLVED by the House of Representatives of the Thirty-third Legislature of the State of Hawaii, Regular Session of 2025, the Senate concurring, that the Department of Taxation is requested to establish a vacant homes surcharge task force to research and report on the impacts and implementation of a general excise tax surcharge similar to the one proposed in House Bill No. 489, Regular Session of 2025; and

BE IT FURTHER RESOLVED that the task force is requested to consist of the:

- (1) Director of Taxation, or the Director's designee, who shall serve as the Chairperson;
- (2) Director of Business, Economic Development, and Tourism, or the Director's designee;
- (3) Executive Director of the Hawaii Housing Finance and Development Corporation; or the Executive Director's designee; and
- (4) Any other individual as requested by the Chairperson; and

BE IT FURTHER RESOLVED that the task force is requested to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2026; and

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1 BE IT FURTHER RESOLVED that certified copies of this
2 Concurrent Resolution be transmitted to the Director of
3 Taxation; Director of Business, Economic Development, and
4 Tourism; and Executive Director of the Hawaii Housing Finance
5 and Development Corporation.

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OFFERED BY: *Nella A. Bell-Hi*

MAR 07 2025

