
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 247-2, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "**§247-2 Basis and rate of tax.** (a) The tax imposed by
4 section 247-1 shall be based on the actual and full
5 consideration (whether cash or otherwise, including any promise,
6 act, forbearance, property interest, value, gain, advantage,
7 benefit, or profit), paid or to be paid for all transfers or
8 conveyance of realty or any interest therein, that shall include
9 any liens or encumbrances thereon at the time of sale, lease,
10 sublease, assignment, transfer, or conveyance, and shall be at
11 the following rates:

12 (1) Except as provided in [~~paragraph (2):~~] paragraphs (2)
13 and (3):

14 (A) Ten cents per \$100 for properties with a value of
15 less than \$600,000;

16 (B) Twenty cents per \$100 for properties with a value
17 of at least \$600,000, but less than \$1,000,000;



- 1 (C) Thirty cents per \$100 for properties with a value
2 of at least \$1,000,000, but less than \$2,000,000;
- 3 (D) Fifty cents per \$100 for properties with a value
4 of at least \$2,000,000, but less than \$4,000,000;
- 5 (E) Seventy cents per \$100 for properties with a
6 value of at least \$4,000,000, but less than
7 \$6,000,000;
- 8 (F) Ninety cents per \$100 for properties with a value
9 of at least \$6,000,000, but less than
10 \$10,000,000; and
- 11 (G) One dollar per \$100 for properties with a value
12 of \$10,000,000 or greater; ~~and~~
- 13 (2) For the sale of a condominium or single family
14 residence for which the purchaser is ineligible for a
15 county homeowner's exemption on property tax:
- 16 (A) Fifteen cents per \$100 for properties with a
17 value of less than \$600,000;
- 18 (B) Twenty-five cents per \$100 for properties with a
19 value of at least \$600,000, but less than
20 \$1,000,000;



(C) Forty cents per \$100 for properties with a value of at least \$1,000,000, but less than \$2,000,000;

(D) Sixty cents per \$100 for properties with a value of at least \$2,000,000, but less than \$4,000,000;

(E) Eighty-five cents per \$100 for properties with a value of at least \$4,000,000, but less than \$6,000,000;

(F) One dollar and ten cents per \$100 for properties with a value of at least \$6,000,000, but less than \$10,000,000; and

(G) One dollar and twenty-five cents per \$100 for properties with a value of \$10,000,000 or greater[7]; and

(3) For the sale of residential real property in which the purchaser is a person who has not filed an income tax return in this State, pursuant to chapter 235, within the preceding four years: three hundred dollars per \$100,

of [~~such~~] the actual and full consideration; provided that in the case of a lease or sublease, this chapter shall apply only to a lease or sublease whose full unexpired term is for a period



1 of five years or more, and in those cases, including (where
2 appropriate) those cases where the lease has been extended or
3 amended, the tax in this chapter shall be based on the cash
4 value of the lease rentals discounted to present day value and
5 capitalized at the rate of six per cent, plus the actual and
6 full consideration paid or to be paid for any and all
7 improvements, if any, that shall include on-site as well as
8 off-site improvements, applicable to the leased premises; and
9 provided further that the tax imposed for each transaction shall
10 be not less than \$1.

11 (b) As used in this section, "residential real property"
12 means fee simple or leasehold real property upon which is
13 situated:

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

15 (2) A residential condominium or cooperative apartment,
16 the primary use of which is occupancy as a residence by any
17 natural person or persons, regardless of whether the property
18 owner resides on the property."

19 SECTION 2. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



1 SECTION 3. This Act shall take effect on January 1, 2026.

2

INTRODUCED BY: _____

JAN 22 2025



H.B. NO. 1213

Report Title:

Conveyance Tax; Residential Real Property; Rates

Description:

Imposes a conveyance tax rate of 300% on sales of residential real property to persons who have not filed a Hawaii state income tax return within the preceding 4-year period.

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