

A Bill for an Act Relating to General Excise Tax Exemptions.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 237-29, Hawaii Revised Statutes, is amended to read as follows:

“§237-29 Exemptions for certified low and moderate income housing. (a) All gross income received by any qualified person or firm for the planning, design, financing, construction, sale, or lease, or rental management] in the State of a housing project which has been certified under section 359G-15 shall be exempt from general excise taxes.

(b) All gross income received [from or on behalf of a tenant or lessee as rent for a dwelling unit in] by a nonprofit [corporation] or a limited distribution [corporation] mortgagor for a low and moderate income housing project certified under section 359G-15 shall be exempt from general excise taxes.

(c) All claims for exemption under this section shall be certified first by the Hawaii housing authority and forwarded to the director of taxation[.], except that any project previously granted an exemption need not reapply for an exemption until there is a change in use or ownership of the project.

(d) The director of taxation and the [director of the] Hawaii housing authority shall adopt rules pursuant to chapter 91 [necessary] for the purpose¹ of this section[.], including any time limitation for such exemptions.”

SECTION 2. Section 359G-15, Hawaii Revised Statutes, is amended to read as follows:

“§359G-15 Exemption from general excise taxes. (a) The authority may certify [a housing project receiving government assistance for exemption from general excise taxes. At the request of the authority, the department of taxation shall exempt such gross income from general excise taxes.] for exemption from general excise taxes any qualified person or firm involved with a newly constructed or rehabilitated project developed under this chapter, chapter 356, or section 46-15.1.

(b) In accordance with rules established by the authority, existing low and moderate income housing projects receiving government assistance under an agreement with a governmental body that regulates rents and operations of the projects may receive an exemption annually upon review and certification by the authority for any qualified period. The authority shall notify the department of taxation of any such certification provided to existing projects.

[(b)] (c) [A claim] All claims for [such] exemption under this section shall be filed with [the director of taxation pursuant to rules adopted by the director] and certified by the authority and forwarded to the department of taxation. Such exemption as filed and approved, shall not be considered a subsidy for the purpose of this chapter.

[(c)] (d) For the purpose of this section, “government assistance” means assistance under a low or moderate income housing program from the State or the United States or any of their political subdivisions, agencies, or instrumentalities, corporate or otherwise[.] which is approved by the authority.”

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

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

(Approved May 9, 1985.)

Note

1. Prior to amendment, "purpose" read "purposes".