
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 246-26, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§246-26 Homes.** (a) Real property owned and occupied
4 only as an individual's or their principal home as of the date
5 of assessment by any individual or individuals, shall be exempt
6 only to the following extent from property taxes:

7 (1) Totally exempt where the value of the property is not
8 in excess of [~~\$12,000~~] \$80,000

9 (2) Where the value of the property is in excess of
10 [~~\$12,000~~] \$80,000, the exemption shall be the amount
11 of [~~\$12,000~~] \$80,000.

12 Provided:

13 (A) That no such exemption shall be allowed to any
14 corporation, copartnership, or company;

15 (B) That the exemption shall not be allowed on more
16 than one home for any one taxpayer;

17 (C) That where the taxpayer has acquired the
18 taxpayer's home by a deed made on or after July



1 1, 1951, the deed shall have been recorded on or
2 before December 31 immediately preceding the year
3 for which the exemption is claimed;

4 (D) That a husband and wife shall not be permitted
5 exemption of separate homes owned by each of
6 them, unless they are living separate and apart,
7 in which case they shall be entitled to one
8 exemption, to be apportioned between each of
9 their respective homes in proportion to the value
10 thereof; and

11 (E) That a person living on premises, a portion of
12 which is used for commercial purposes, shall not
13 be entitled to an exemption with respect to such
14 portion, but shall be entitled to an exemption
15 with respect to the portion thereof used
16 exclusively as a home.

17 (b) The use of a portion of any building or structure for
18 the purpose of drying coffee and the use of a portion of real
19 property, including structures, in connection with the planting
20 and growing for commercial purposes, or the packing and
21 processing for such purposes, of flowers, plants, or foliage,
22 shall not affect the exemptions provided for by this section.

1 (c) Where two or more individuals jointly, by the
2 entirety, or in common own or lease land on which their homes
3 are located, each home, if otherwise qualified for the exemption
4 granted by this section, shall receive the exemption. If a
5 portion of land held jointly, by the entirety, or in common by
6 two or more individuals is not qualified to receive an
7 exemption, such disqualification shall not affect the
8 eligibility for an exemption or exemptions of the remaining
9 portion.

10 (d) A taxpayer who is sixty years of age or over and who
11 qualifies under subsection (a) shall be entitled to one of the
12 following multiples of home exemption:



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Multiple to be Used in Computing

Age of Taxpayer

Home Exemption Amount

60 years of age or over but

not 70 years of age or over

~~[2.0]~~ 2.5

70 years of age or over

~~[2.5]~~ 3.0

For the purpose of this subsection, a husband and wife who own property jointly, by the entirety or in common, on which a home exemption under the provisions of subsection (a) has been granted shall be entitled to the applicable multiple of home exemption set forth above when at least one of the spouses qualifies each year for the applicable multiple of home exemption."

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

SECTION 3. This Act shall take effect upon its approval, and shall apply retroactively to real property taxes assessed after December 31, 2005.

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INTRODUCED BY:

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LR

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JAN 25 2006



HB 2894

Report Title:

Taxation

Description:

Increases property exemptions and multipliers for property tax purposes.

