#### THE SENATE TWENTY-FOURTH LEGISLATURE, 2007 STATE OF HAWAII

S.B. NO. 104

JAN 1 8 2007

## A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

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

SECTION 1. Chapter 237, Hawaii Revised Statutes, is 1 2 amended by adding a new section to be appropriately designated 3 and to read as follows: 4 "§237- Imposition of tax; owner-builders. (a) In 5 addition to any tax imposed under section 237-13, there shall be assessed and collected from an owner-builder who registers as 6 7 such under section 444-9.1 and constructs or renovates the 8 owner-builder's personal residence, a general excise tax based 9 on the assessed value of the construction or renovation project. 10 (b) The tax under subsection (a) shall be imposed against 11 the assessed value of the work as noted on the building permit; 12 provided that the value of work performed by contractors 13 licensed under chapter 444 for the owner-builder shall be 14 deducted from the value of the work as noted on the building 15 permit; provided further that this section shall not affect any 16 other obligation of the contractor to pay the general excise tax 17 imposed by any other section under this chapter.



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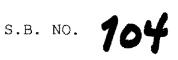
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1	(c) The tax under this section shall be assessed and
2	collected on the owner-builder by the county office issuing the
3	building permit as a condition precedent to issuing the permit.
4	The county shall transfer the moneys collected under this
5	section to the department of taxation.
6	(d) This section shall apply to any construction or
7	renovation for which a building permit is issued after August
8	<u>31, 2007.</u>
9	(e) The director of taxation may adopt rules, pursuant to
10	chapter 91, to effectuate this section."
11	SECTION 2. New statutory material is underscored.
12	SECTION 3. This Act shall take effect on July 1, 2007.
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INTRODUCED BY: Norman Saternit

Page 2





### Report Title:

General Excise Tax; Owner-Builder

### Description:

Imposes the general excise tax on the value of the work performed by owner-builders on their residences.

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