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# A BILL FOR AN ACT

RELATING TO CONVEYANCE TAXES FOR SPECULATIVE SALES.

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

12           (1) Except as provided in paragraph (2):

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

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

17                   and



- 1 (C) Thirty cents per \$100 for properties with a value  
2 of \$1,000,000 or greater; and
- 3 (2) For the sale of a condominium or [~~single-family~~]  
4 single-family residence for which the purchaser is  
5 ineligible for a county homeowner's exemption on  
6 property tax:
- 7 (A) [~~Fifteen cents~~] Thirty cents per \$100 for  
8 properties with a value of less than \$600,000;
- 9 (B) [~~Twenty-five cents~~] Forty cents per \$100 for  
10 properties with a value of at least \$600,000, but  
11 less than \$1,000,000; and
- 12 (C) [~~Thirty-five cents~~] Seventy cents per \$100 for  
13 properties with a value of \$1,000,000 or greater,  
14 of such actual and full consideration; provided that in the case  
15 of a lease or sublease, this chapter shall apply only to a lease  
16 or sublease whose full unexpired term is for a period of five  
17 years or more, and in those cases, including (where appropriate)  
18 those cases where the lease has been extended or amended, the  
19 tax in this chapter shall be based on the cash value of the  
20 lease rentals discounted to [~~present-day~~] present-day value and  
21 capitalized at the rate of six per cent, plus the actual and  
22 full consideration paid or to be paid for any and all



1 improvements, if any, that shall include on-site as well as off-  
2 site improvements, applicable to the leased premises; and  
3 provided further that the tax imposed for each transaction shall  
4 be not less than \$1."

5 SECTION 2. This Act does not affect rights and duties that  
6 matured, penalties that were incurred, and proceedings that were  
7 begun, before its effective date.

8 SECTION 3. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect on July 1, 2034.



**Report Title:**

Conveyance Taxes

**Description:**

Increases conveyance tax rates for sales of condominiums or single-family residences where the purchaser is ineligible for a county homeowner's property tax exemption. (HB252 HD1)

