

JAN 19 2007

A BILL FOR AN ACT

RELATING TO CONVEYANCE TAX.

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 residence for which the purchaser is ineligible for a
5 county homeowner's exemption on property tax:

6 (A) [~~Fifteen cents~~] Thirty cents per \$100 for
7 properties with a value of less than \$600,000;

8 (B) [~~Twenty five cents~~] Forty cents per \$100 for
9 properties with a value of at least \$600,000, but
10 less than \$1,000,000; and

11 (C) [~~Thirty five cents~~] Seventy cents per \$100 for
12 properties with a value of \$1,000,000 or greater,

13 of [~~such~~] actual and full consideration; provided that [~~in the~~
14 ~~ease of~~] for a lease or sublease, this chapter shall apply only
15 to a lease or sublease whose full unexpired term is for a period
16 of five years or more, and in those cases, including (where
17 appropriate) those cases where the lease has been extended or
18 amended, the tax in this chapter shall be based on the cash
19 value of the lease rentals discounted to present day value and
20 capitalized at the rate of six per cent, plus the actual and
21 full consideration paid or to be paid for any and all
22 improvements, if any, that shall include on-site as well as off-



1 site improvements, applicable to the leased premises; and
2 provided further that the tax imposed for each transaction shall
3 be not less than \$1."

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 Statutory material to be repealed is bracketed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

6 SECTION 3. This Act take effect on July 1, 2007, and shall
7 apply to any document or instrument presented for recording or
8 filing under chapter 247, Hawaii Revised Statutes, after
9 June 30, 2007.

10

INTRODUCED BY: Russell Kolb
Grim



Report Title:

Conveyance Tax; Rates; Condominium or Single Family Residences

Description:

Amends the conveyance tax rates by increasing the rates for the sale of a condominium or single family residence for which the purchaser is ineligible for a county homeowner's exemption on property tax.

