

DEPARTMENT OF BUDGET AND FISCAL SERVICES  
**CITY AND COUNTY OF HONOLULU**  
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March 19, 2008

**LATE TESTIMONY**

The Honorable Cindy Evans, Chair  
and Members of the Committee on Public  
Safety and Military Affairs  
The Honorable Robert N. Herkes, Chair  
and Members of the Committee on Consumer  
Protection and Commerce  
House of Representatives  
State Capitol  
Honolulu, Hawaii 96813

Dear Chairs Evans, Herkes and Committee Members:

**Subject: H.R. 298 Requesting the Counties to Consider Establishing  
Real Property Tax Hardship Exemptions to Assist Residential  
Property Taxpayers.**

We would like to express our appreciation for your thoughtful suggestions to consider establishing real property tax hardship exemptions to assist residential property taxpayers.

Fortunately, the City & County of Honolulu already provides a range of programs that are available to assist residential property owners. Some examples include: (1) a home exemption of \$80,000 for owner occupants under age 65, (2) a \$120,000 home exemption for those 65 and older, (3) an in-lieu of home exemption, with exemption amounts of \$140,000, \$160,000, \$180,000, and \$200,000 for qualified low-income owner occupants, (4) a total property exemption for qualified totally disable veterans, (5) and a \$25,000 exemption for other disabilities, which are in addition to an owner's home exemption.

The City and County of Honolulu also provides a safety net for property owners whose income does not exceed \$50,000. This county tax credit (sometimes called a circuit-breaker) limits a property owner's property tax to 4% of their income for those under age 75, and for those 75 and older, the property tax is limited to 3% of their income.

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The Director of Budget and Fiscal services is authorized to remit taxes due or paid for real property damaged or destroyed as a result of natural disaster, where the Mayor has declared a natural disaster for purposes of real property tax relief. Remissions of property tax up to \$25,000 may be granted in these situations.

Thank you for the opportunity to inform this legislative body about the property tax relief programs that are available for Honolulu's residential and non-residential property owners.

Sincerely,



Mary Patricia Waterhouse, Director  
Budget and Fiscal Services