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# A BILL FOR AN ACT

RELATING TO THE GENERAL EXCISE TAX.

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

1           SECTION 1. Section 201H-1, Hawaii Revised Statutes, is  
2 amended by adding a new definition to be appropriately inserted  
3 and to read as follows:

4           "Qualified person or firm" means an individual,  
5 partnership, joint venture, corporation, association, limited  
6 liability partnership, limited liability company, business,  
7 trust, or any organized group of persons or legal entities, or  
8 any combination thereof, which possesses all professional or  
9 vocational licenses necessary to do business in the State of  
10 Hawaii in conjunction with the planning, design, financing,  
11 construction (including materials and supplies for new  
12 construction, moderate rehabilitation, and substantial  
13 rehabilitation), sale, or rental of eligible housing projects."

14           SECTION 2. Section 237-1, Hawaii Revised Statutes, is  
15 amended by adding a new definition to be appropriately inserted  
16 and to read as follows:

1       "Qualified person or firm" means an individual,  
2 partnership, joint venture, corporation, association, limited  
3 liability partnership, limited liability company, business,  
4 trust, or any organized group of persons or legal entities, or  
5 any combination thereof, which possesses all professional or  
6 vocational licenses necessary to do business in the State of  
7 Hawaii in conjunction with the planning, design, financing,  
8 construction (including materials and supplies for new  
9 construction, moderate rehabilitation, and substantial  
10 rehabilitation), sale, or rental of eligible housing projects."

11       SECTION 3. Section 201H-36, Hawaii Revised Statutes, is  
12 amended by amending subsection (a) to read as follows:

13       "(a) In accordance with section 237-29, the corporation  
14 may approve and certify for exemption from general excise taxes  
15 any qualified person or firm involved with a newly constructed,  
16 or moderately or substantially rehabilitated project:

- 17       (1) Developed under this part;
- 18       (2) Developed under a government assistance program  
19           approved by the corporation, including but not limited  
20           to the United States Department of Agriculture 502  
21           program and Federal Housing Administration 235  
22           program;

- 1 (3) Developed under the sponsorship of a private nonprofit  
2 organization providing home rehabilitation or new  
3 homes for qualified families in need of decent, low-  
4 cost housing; or
- 5 (4) Developed by a qualified person or firm to provide  
6 affordable rental housing where at least fifty per  
7 cent of the available units are for households [~~with~~  
8 ~~incomes~~] that include a qualified resident, as defined  
9 by section 201H-32, and that have a gross annual  
10 income, as calculated by the United States Department  
11 of Housing and Urban Development in determining  
12 eligibility for the federal housing choice voucher  
13 (section 8) program, at or below eighty per cent of  
14 the area median family income as determined by the  
15 United States Department of Housing and Urban  
16 Development, of which at least twenty per cent of the  
17 available units are for households [~~with incomes~~] that  
18 include a qualified resident, as defined by section  
19 201H-32, and that have a gross annual income, as  
20 calculated by the United States Department of Housing  
21 and Urban Development in determining eligibility for  
22 the federal housing choice voucher (section 8)

1           program, at or below sixty per cent of the area median  
2           family income as determined by the United States  
3           Department of Housing and Urban Development~~[ ]~~;  
4           provided that an exemption from general excise taxes  
5           granted to qualified persons or firms pursuant to this  
6           paragraph shall apply to only that portion of rental  
7           income received from households that meet the  
8           residency and gross annual income requirements set  
9           forth in this paragraph."

10           SECTION 4. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12           SECTION 5. This Act shall take effect on July 1, 2050.

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**Report Title:**

General Excise Tax Exemption; Affordable Housing

**Description:**

Allows a general excise tax exemption to qualified persons or firms who receive rental income on newly constructed or moderately or substantially rehabilitated housing projects from households that meet certain residency and annual income criteria. Effective 7/1/2050. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*