
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, that possesses all professional or
9 vocational licenses necessary to do business in the State in
10 conjunction with the planning, design, financing, construction,
11 including materials and supplies for new construction, moderate
12 rehabilitation, and substantial rehabilitation, sale, or rental
13 of eligible housing projects."

14 SECTION 2. Section 237-29, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§237-29 Exemptions for certified or approved housing**
17 **projects.** (a) All gross income received by any qualified



1 person or firm for the planning, design, financing,
2 construction, sale, or lease in the State of a housing project
3 that has been certified or approved under section 201H-36 shall
4 be exempt from general excise taxes.

5 (b) All gross income received by a nonprofit or a limited
6 distribution mortgagor for a low- and moderate-income housing
7 project certified or approved under section 201H-36 shall be
8 exempt from general excise taxes.

9 (c) The director of taxation and the Hawaii housing
10 finance and development corporation shall adopt rules pursuant
11 to chapter 91 for the purpose of this section, including any
12 time limitation for the exemptions.

13 (d) The term "qualified person or firm" means an
14 individual, partnership, joint venture, corporation,
15 association, limited liability partnership, limited liability
16 company, business, trust, or any organized group of persons or
17 legal entities, or any combination thereof, that possesses all
18 professional or vocational licenses necessary to do business in
19 the State in conjunction with the planning, design, financing,
20 construction, including materials and supplies for new
21 construction, moderate rehabilitation, and substantial
22 rehabilitation, sale, or rental of eligible housing projects."



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

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

7 (1) Developed under this part;

8 (2) Developed under a government assistance program
9 approved by the corporation, including but not limited
10 to the United States Department of Agriculture 502
11 program and Federal Housing Administration 235
12 program;

13 (3) Developed under the sponsorship of a private nonprofit
14 organization providing home rehabilitation or new
15 homes for qualified families in need of decent, low-
16 cost housing; or

17 (4) Developed by a qualified person or firm to provide
18 affordable rental housing where at least fifty per
19 cent of the available units are for [~~households with~~
20 ~~incomes~~] qualified households at or below eighty per
21 cent of the area median family income, as determined
22 by the United States Department of Housing and Urban



1 Development, of which at least twenty per cent of the
2 available units are for [~~households with incomes~~]
3 qualified households at or below sixty per cent of the
4 area median family income, as determined by the United
5 States Department of Housing and Urban Development[-];
6 provided that an exemption from general excise taxes
7 granted to qualified persons or firms pursuant to this
8 paragraph shall apply to only that portion of rental
9 income received from qualified households. For
10 purposes of this paragraph, "qualified households"
11 mean households:

12 (A) That include a qualified resident, as defined by
13 section 201H-32; and

14 (B) Whose gross annual income, as calculated by the
15 United States Department of Housing and Urban
16 Development in determining eligibility for the
17 federal housing choice voucher (section 8)
18 program meets the requirements of this
19 paragraph."

20 SECTION 4. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



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



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.

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

