
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. State law provides a general excise tax
2 exemption for qualified persons or firms involved in the
3 planning, design, financing, construction, sale, or lease in the
4 State of a housing project that has been certified or approved
5 under section 201H-36, Hawaii Revised Statutes. The Hawaii
6 housing finance and development corporation is authorized to
7 approve and certify an exemption from general excise taxes for
8 any qualified person or firm involved with a newly constructed
9 or moderately or substantially rehabilitated project.

10 Among the projects that qualify for exemption from general
11 excise taxes under section 201H-36, Hawaii Revised Statutes, are
12 projects developed pursuant to part II of chapter 201H, Hawaii
13 Revised Statutes; projects developed under a federal government
14 assistance program approved by the Hawaii housing finance and
15 development corporation; projects developed under the
16 sponsorship of a private nonprofit organization providing home
17 rehabilitation or new homes for qualified families in need of
18 low-cost housing; and projects developed to provide affordable



1 rental housing as specified under section 201H-36, Hawaii
2 Revised Statutes.

3 While the general excise tax exemption established by
4 section 201H-36, Hawaii Revised Statutes, stimulates and
5 encourages the development of low-cost housing and affordable
6 rental housing in the State, the legislature finds that it is
7 important to be fiscally responsible and informed of the
8 aggregate amount and impact of that exemption in making policy
9 decisions.

10 The purpose of this Act is to require the department of
11 taxation to submit a report to the legislature and the Hawaii
12 housing finance and development corporation on the general
13 excise tax exemptions granted pursuant to section 201H-36,
14 Hawaii Revised Statutes, for development of low-cost housing and
15 affordable rental housing during the taxable year beginning
16 after December 31, 2010.

17 SECTION 2. The department of taxation shall submit a
18 report to the legislature and the Hawaii housing finance and
19 development corporation no later than twenty days before the
20 convening of the regular session of 2013, on the general excise
21 tax exemptions granted pursuant to section 201H-36, Hawaii
22 Revised Statutes, during the taxable year beginning after



1 December 31, 2010, to qualified persons or firms involved with
2 newly constructed, or moderately or substantially rehabilitated
3 projects developed:

4 (1) Under part II of chapter 201H, Hawaii Revised Statutes;

5 (2) Under a government assistance program approved by the
6 Hawaii housing finance and development corporation as
7 specified under section 201H-36, Hawaii Revised
8 Statutes;

9 (3) Under the sponsorship of a private nonprofit
10 organization providing home rehabilitation or new homes
11 for qualified families in need of decent, low-cost
12 housing; and

13 (4) By a qualified person or firm to provide affordable
14 rental housing as specified under section 201H-36,
15 Hawaii Revised Statutes.

16 The report shall include information on the total amount of
17 otherwise-taxable revenue subject to the exemption granted under
18 section 201H-36, Hawaii Revised Statutes, as well as information
19 regarding individual exemptions awarded, including the criteria
20 under which individuals or entities qualified for the exemption



1 and how long each individual or entity has been exempt. The
2 department of taxation shall not include individual-identifying
3 information in its report.

4 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:

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H.B. NO. 2144

Report Title:

General Excise Tax Exemption; Affordable Rental Housing; Low-Cost Housing

Description:

Requires the department of taxation to submit a report to the legislature and the Hawaii housing finance and development corporation on general excise tax exemptions for low-cost housing and affordable rental housing construction and development.

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

