
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-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; provided that this paragraph shall not apply
13 to projects developed on federal lands;

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



1 (4) Developed by a qualified person or firm to provide
2 affordable rental housing where at least fifty per
3 cent of the available units are for households with
4 incomes at or below eighty per cent of the area median
5 family income as determined by the United States
6 Department of Housing and Urban Development, of which
7 at least twenty per cent of the available units are
8 for households with incomes at or below sixty per cent
9 of the area median family income as determined by the
10 United States Department of Housing and Urban
11 Development."

12 SECTION 2. Section 201H-202, Hawaii Revised Statutes, is
13 amended by amending subsections (c) and (d) as follows:

14 "(c) The following may be deposited into the fund:
15 appropriations made by the legislature, general excise tax
16 revenues pursuant to section 237-31, private contributions,
17 repayment of loans, interest, other returns, and moneys from
18 other sources.

19 (d) The fund shall be used to provide loans or grants for
20 the development, pre-development, construction, acquisition,
21 preservation, and substantial rehabilitation of rental housing
22 units[-]; provided that general excise tax revenues deposited



1 into the fund shall be used solely for the purpose of developing
2 affordable rental housing for homeless families with children.
3 Permitted uses of the fund may include but are not limited to
4 planning, design, land acquisition, costs of options, agreements
5 of sale, downpayments, equity financing, capacity building of
6 nonprofit housing developers, or other housing development
7 services or activities as provided in rules adopted by the
8 corporation pursuant to chapter 91. The rules may provide for a
9 means of recapturing loans or grants made from the fund if a
10 rental housing project financed under the fund is refinanced or
11 sold at a later date. The rules may also provide that moneys
12 from the fund shall be leveraged with other financial resources
13 to the extent possible."

14 SECTION 3. Section 237-31, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§237-31 Remittances.** All remittances of taxes imposed by
17 this chapter shall be made by money, bank draft, check,
18 cashier's check, money order, or certificate of deposit to the
19 office of the department of taxation to which the return was
20 transmitted. The department shall issue its receipts therefor
21 to the taxpayer and shall pay the moneys into the state treasury



1 as a state realization, to be kept and accounted for as provided
2 by law; provided that:

3 (1) The sum from all general excise tax revenues realized
4 by the State that represents the difference between
5 \$45,000,000 and the proceeds from the sale of any
6 general obligation bonds authorized for that fiscal
7 year for the purposes of the state educational
8 facilities improvement special fund shall be deposited
9 in the state treasury in each fiscal year to the
10 credit of the state educational facilities improvement
11 special fund;

12 (2) A sum, not to exceed \$5,000,000, from all general
13 excise tax revenues realized by the State shall be
14 deposited in the state treasury in each fiscal year to
15 the credit of the compound interest bond reserve fund;
16 [~~and~~]

17 (3) A sum from all general excise tax revenues realized by
18 the State that is equal to one-half of the total
19 amount of funds appropriated or transferred out of the
20 hurricane reserve trust fund under sections 4 and 5 of
21 Act 62, Session Laws of Hawaii 2011, shall be
22 deposited into the hurricane reserve trust fund in



1 fiscal year 2013-2014 and in fiscal year 2014-2015;
2 provided that the deposit required in each fiscal year
3 shall be made by October 1 of that fiscal year~~[-]~~; and
4 (4) All general excise tax revenues realized by the State
5 as a result of section 1 of Act _____, Session Laws of
6 Hawaii 2013, shall be deposited in the state treasury
7 in each fiscal year to the credit of the rental
8 housing trust fund."

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

11 SECTION 5. This Act shall take effect on July 1, 2013.

12 INTRODUCED BY: *Fidel P. Cabornilla*

JAN 23 2013



H.B. NO. 1117

Report Title:

General Excise Tax; Exemption for Housing Projects Built on Federal Lands; Repeal; Rental Housing Trust Fund

Description:

Repeals the general excise tax exemption for housing projects built on federal lands. Provides that tax revenues gained from repealing this exemption shall be deposited into the rental housing trust fund for the purpose of building affordable rental housing for homeless families with children.

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