

JAN 17 2020

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# A BILL FOR AN ACT

RELATING TO REAL PROPERTY.

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

1           SECTION 1. Chapter 6E, Hawaii Revised Statutes, is amended  
2 by adding two new sections to be appropriately designated and to  
3 read as follows:

4           "§6E-A Government buildings; historic places; application.  
5 Notwithstanding any other law to the contrary, the requirements  
6 of this chapter shall only apply to government buildings or  
7 buildings that are on the Hawaii or national register of  
8 historic places.

9           §6E-B Private properties; exemption. Notwithstanding any  
10 other law to the contrary, an application for a proposed project  
11 on private property shall be exempt from the requirements of  
12 this chapter."

13           SECTION 2. Section 6E-42, Hawaii Revised Statutes, is  
14 amended by amending subsection (a) to read as follows:

15           "(a) Except as provided in section [~~6E-42.27~~] 6E-B, before  
16 any agency or officer of the State or its political subdivisions  
17 approves any project involving a permit, license, certificate,



1 land use change, subdivision, or other entitlement for use,  
2 which may affect historic property, aviation artifacts, or a  
3 burial site, the agency or office shall advise the department  
4 and prior to any approval allow the department an opportunity  
5 for review and comment on the effect of the proposed project on  
6 historic properties, aviation artifacts, or burial sites,  
7 consistent with section 6E-43, including those listed in the  
8 Hawaii register of historic places. If:

- 9 (1) The proposed project consists of corridors or large  
10 land areas;
- 11 (2) Access to properties is restricted; or
- 12 (3) Circumstances dictate that construction be done in  
13 stages,

14 the department's review and comment may be based on a phased  
15 review of the project; provided that there shall be a  
16 programmatic agreement between the department and the project  
17 applicant that identifies each phase and the estimated timelines  
18 for each phase."

19 SECTION 3. Section 235-7, Hawaii Revised Statutes, is  
20 amended by amending subsection (a) to read as follows:



1           "(a) There shall be excluded from gross income, adjusted  
2 gross income, and taxable income:

3           (1) Income not subject to taxation by the State under the  
4           Constitution and laws of the United States;

5           (2) Rights, benefits, and other income exempted from  
6           taxation by section 88-91, having to do with the state  
7           retirement system, and the rights, benefits, and other  
8           income, comparable to the rights, benefits, and other  
9           income exempted by section 88-91, under any other  
10          public retirement system;

11          (3) Any compensation received in the form of a pension for  
12          past services;

13          (4) Compensation paid to a patient affected with Hansen's  
14          disease employed by the State or the United States in  
15          any hospital, settlement, or place for the treatment  
16          of Hansen's disease;

17          (5) Except as otherwise expressly provided, payments made  
18          by the United States or this State, under an act of  
19          Congress or a law of this State, which by express  
20          provision or administrative regulation or  
21          interpretation are exempt from both the normal and



1           surtaxes of the United States, even though not so  
2           exempted by the Internal Revenue Code itself;

3       (6) Any income expressly exempted or excluded from the  
4       measure of the tax imposed by this chapter by any  
5       other law of the State, it being the intent of this  
6       chapter not to repeal or supersede any such express  
7       exemption or exclusion;

8       (7) Income received by each member of the reserve  
9       components of the Army, Navy, Air Force, Marine Corps,  
10      or Coast Guard of the United States of America, and  
11      the Hawaii National Guard as compensation for  
12      performance of duty, equivalent to pay received for  
13      forty-eight drills (equivalent of twelve weekends) and  
14      fifteen days of annual duty, at an:

15      (A) E-1 pay grade after eight years of service;  
16             provided that this subparagraph shall apply to  
17             taxable years beginning after December 31, 2004;

18      (B) E-2 pay grade after eight years of service;  
19             provided that this subparagraph shall apply to  
20             taxable years beginning after December 31, 2005;



1 (C) E-3 pay grade after eight years of service;  
2 provided that this subparagraph shall apply to  
3 taxable years beginning after December 31, 2006;

4 (D) E-4 pay grade after eight years of service;  
5 provided that this subparagraph shall apply to  
6 taxable years beginning after December 31, 2007;  
7 and

8 (E) E-5 pay grade after eight years of service;  
9 provided that this subparagraph shall apply to  
10 taxable years beginning after December 31, 2008;

11 (8) Income derived from the operation of ships or aircraft  
12 if the income is exempt under the Internal Revenue  
13 Code pursuant to the provisions of an income tax  
14 treaty or agreement entered into by and between the  
15 United States and a foreign country; provided that the  
16 tax laws of the local governments of that country  
17 reciprocally exempt from the application of all of  
18 their net income taxes, the income derived from the  
19 operation of ships or aircraft that are documented or  
20 registered under the laws of the United States;



- 1           (9) The value of legal services provided by a legal  
2           service plan to a taxpayer, the taxpayer's spouse, and  
3           the taxpayer's dependents;
- 4           (10) Amounts paid, directly or indirectly, by a legal  
5           service plan to a taxpayer as payment or reimbursement  
6           for the provision of legal services to the taxpayer,  
7           the taxpayer's spouse, and the taxpayer's dependents;
- 8           (11) Contributions by an employer to a legal service plan  
9           for compensation (through insurance or otherwise) to  
10          the employer's employees for the costs of legal  
11          services incurred by the employer's employees, their  
12          spouses, and their dependents; [~~and~~]
- 13          (12) Amounts received in the form of a monthly surcharge by  
14          a utility acting on behalf of an affected utility  
15          under section 269-16.3; provided that amounts retained  
16          by the acting utility for collection or other costs  
17          shall not be included in this exemption[~~-~~]; and
- 18          (13) Revenues received from buildings on the national  
19          register of historic places."

20           SECTION 4. Section 6E-42.2, Hawaii Revised Statutes, is  
21 repealed.



1           ~~["§6E-42.2] Excluded activities for privately owned~~  
2 ~~single family detached dwelling units and townhouses. (a) An~~  
3 ~~application for a proposed project on an existing privately-~~  
4 ~~owned single family detached dwelling unit or townhouse shall be~~  
5 ~~subject to the requirements of section 6E-42 only if the single-~~  
6 ~~family detached dwelling unit or townhouse is over fifty years~~  
7 ~~old and:~~

8           ~~(1) Is listed on the Hawaii or national register of~~  
9           ~~historic places, or both;~~

10          ~~(2) Is nominated for inclusion on the Hawaii or national~~  
11          ~~register of historic places, or both; or~~

12          ~~(3) Is located in a historic district.~~

13          ~~(b) For the purposes of this section:~~

14          ~~"Dwelling unit" means a building or portion thereof~~  
15 ~~designed or used exclusively for residential occupancy and~~  
16 ~~having all necessary facilities for permanent residency such as~~  
17 ~~living, sleeping, cooking, eating, and sanitation.~~

18          ~~"Single family detached dwelling unit" means an individual,~~  
19 ~~freestanding, unattached dwelling unit, typically built on a lot~~  
20 ~~larger than the structure itself, resulting in an area~~  
21 ~~surrounding the dwelling.~~



1       ~~"Townhouse" has the same meaning as defined in section~~  
2 ~~502C-1."]~~

3       SECTION 5. In codifying the new sections added by section  
4 1 of this Act, the revisor of statutes shall substitute  
5 appropriate section numbers for the letters used in designating  
6 the new sections in this Act.

7       SECTION 6. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9       SECTION 7. This Act shall take effect upon its approval.

10

INTRODUCED BY: 





# S.B. NO. 2050

**Report Title:**

Private Residence; Exemption; Historic Review; Government Buildings; Income Tax

**Description:**

Specifies that only government buildings and buildings that are on the Hawaii or national register of historic places shall be subject to historic review. Specifies that private property shall not be subject to historic review. Exempts revenues received from buildings on the national register of historic places from state income tax.

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

