THE SENATE THIRTY-FIRST LEGISLATURE, 2021 STATE OF HAWAII S.B. NO. 18

JAN 2 1 2021

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1	SECTION 1. The Hawaii Revised Statutes is amended by
2	adding a new chapter to be appropriately designated and to read
3	as follows:
4	"CHAPTER
5	EMPTY HOMES TAX
6	§ -A Definitions. For the purposes of this chapter:
7	"Department" means the department of taxation.
8	"Director" means the director of taxation.
9	"Person" has the same meaning as defined in section 237-1.
10	"Residential real property" means fee simple or leasehold
11	real property on which is currently situated:
12	(1) From one to four dwelling units; or
13	(2) A residential condominium or cooperative apartment,
14	the primary use of which is occupancy as a residence.
15	"Vacant" means that the residential real property is in use
16	less than fifty days in a calendar year.

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Imposition of tax. (a) There is hereby imposed 1 S -B and shall be levied, collected, and paid, an empty homes tax as 2 hereinafter provided, on all transfers or conveyances of a 3 vacant residential real property or any interest therein, by way 4 of deeds, leases, subleases, assignments of lease, agreements of 5 sale, assignments of agreement of sale, instruments, writings, 6 7 and any other document, whereby any lands, interests in land, tenements, or other realty sold shall be granted, assigned, 8 transferred, or otherwise conveyed to, or vested in, the 9 10 purchaser or purchasers, lessee or lessees, sublessee or sublessees, assignee or assignees, or any other person or 11 persons, by the person's or their direction. 12 13 The tax shall be equal to five per cent of the county (b)

13 (b) The tax shall be equal to five per cent of the county14 real property tax assessed value of the unit per year.

15 § -C Return and payments. On or before the twentieth 16 day of each calendar month, every person taxable under this 17 chapter during the preceding calendar month shall file a sworn 18 return with the director in a form the director shall prescribe 19 together with a remittance for the amount of the tax required by 20 section -B. Sections 237-30 and 237-32 shall apply to



1 returns and penalties made under this chapter to the same extent
2 as if the sections were set forth specifically in this section.
3 § -D Disposition of taxes. All taxes collected under
4 this chapter shall be paid into the state treasury to the credit
5 of the dwelling unit revolving fund established pursuant to
6 section 201H-191.

7 § -E Appeals. Any person aggrieved by any assessment of
8 the tax imposed by this chapter may appeal from the assessment
9 in the manner and within the time and in all other respects as
10 provided in the case of income tax appeals by section 235-114.

11 S -F Records to be kept; examination. Every person 12 shall keep in the English language within the State, and preserve for a period of three years, suitable records relating 13 14 to the empty homes tax levied and assessed under this chapter, and other books, records of account, and invoices as may be 15 required by the department, and all those books, records, and 16 invoices shall be open for examination at any time by the 17 department or the Multistate Tax Commission pursuant to chapter 18 19 255, or the authorized representative thereof.



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1	§ -G Administration and enforcement; rules. (a) The		
2	director shall administer and enforce this chapter in respect		
3	of:		
4	(1) The examination of books and records of taxpayers and		
5	other persons;		
6	(2) Procedure and powers upon failure or refusal by a		
7	person to make a return or proper return; and		
8	(3) The general administration of this chapter.		
9	(b) All of the provisions of chapter 237 not inconsistent		
10	with this chapter and which may appropriately be applied to the		
11	taxes, persons, circumstances, and situations involved in this		
12	chapter, including (without prejudice to the generality of the		
13	foregoing) provisions as to penalties and interest, and		
14	provisions granting administrative powers to the department, and		
15	provisions for the assessment, levy, and collection of taxes,		
16	shall be applicable to the taxes imposed by this chapter, and to		
17	the assessment, levy, and collection thereof.		
18	(c) The director may adopt, amend, or repeal rules under		
19	chapter 91 to carry out this chapter."		
20	SECTION 2. Section 231-8.5, Hawaii Revised Statutes, is		
21	amended by amending subsection (b) to read as follows:		



1	"(b)	If the requirements of subsection (c) are satisfied,
2	the depar	tment may require electronic filing of any tax return,
3	applicati	on, report, or other document required under the
4	provision	s of title 14 administered by the department for the
5	following	taxpayers:
6	(1)	For withholding tax filings required under chapter
7		235, only employers whose total tax liability under
8		sections 235-61 and 235-62 for the calendar or fiscal
9		year exceeds \$40,000;
10	(2)	For income tax filings required under chapter 235,
11		only taxpayers who are subject to tax under section
12		235-71, 235-71.5, or 235-72;
13	(3)	For general excise tax filings required under chapter
14		237, only taxpayers whose total tax liability under
15		chapter 237 for the calendar or fiscal year exceeds
16		\$4,000;
17	(4)	For transient accommodations tax filings required
18		under chapter 237D, only operators and plan managers
19		whose total tax liability under chapter 237D for the
20		calendar or fiscal year exceeds \$4,000; and

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1	(5)	For filings required under the following chapters, all			
2		taxpayers subject to tax under those chapters:			
3		(A) 236E;			
4		(B) 239;			
5		(C) 241;			
6		(D) 243;			
7		(E) 244D;			
8		(F) 245; [and]			
9		(G) 251[-] <u>; and</u>			
10		(H)"			
11	SECTION 3. In codifying the new sections added by section				
12	1 of this	Act, the revisor of statutes shall substitute			
13	appropriate section numbers for the letters used in designating				
14	the new sections in this Act.				
15	SECTION 4. Statutory material to be repealed is bracketed				
16	and stricken. New statutory material is underscored.				
17	SECTI	ON 5. This Act, upon its approval, shall apply to			
18	taxable years beginning after December 31, 2020.				

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855 INTRODUCED BY:

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S.B. NO. (9

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Report Title:

Empty Homes Tax; Dwelling Unit Revolving Fund; Fair Market Rent

Description:

Establishes an empty homes conveyance tax against certain residential property owners who own a vacant residential unit in the State.

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

