

REPORT OF THE COMMITTEE ON BUDGET

Voting Members:

Radiant Cordero, Chair; Matt Weyer, Vice-Chair;
Esther Kia'āina, Calvin K.Y. Say, Augie Tulba

Committee Meeting Held
April 4, 2023

Honorable Tommy Waters
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Bill 37 (2022) entitled:

"A BILL FOR AN ORDINANCE RELATING TO REAL PROPERTY TAXATION,"

which passed second reading and was the subject of a public hearing at the March 15, 2023 Council meeting, reports as follows:

The purpose of the bill is to address the real property tax credit.

The Director of Budget and Fiscal Services provided comments and responded to Councilmembers' questions.

Your Committee considered and approved a proposed hand-carried CD1 version that makes the following amendments:

- A. In SECTION 2 of the bill, increases the threshold of combined income of all titleholders of the property for the calendar year from \$70,000 to \$80,000.
- B. In SECTION 4 of the bill, provides that the ordinance will apply to tax years beginning July 1, 2024 and thereafter, rather than to tax years beginning July 1, 2023 and thereafter.
- C. Makes miscellaneous technical and nonsubstantive amendments.

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON JUL 7 2023

COMMITTEE REPORT NO. 75

REPORT OF THE COMMITTEE ON BUDGET


Voting Members:

Radiant Cordero, Chair; Matt Weyer, Vice-Chair;
Esther Kia'āina, Calvin K.Y. Say, Augie Tulba

Committee Meeting Held
April 4, 2023
Page 2

Your Committee on Budget is in accord with the intent and purpose of Bill 37 (2022), as amended herein, and recommends that it pass third reading in the form attached hereto as Bill 37 (2022), CD1. (Ayes: Cordero, Kia'āina, Say, Tulba, Weyer – 5; Noes: None.)

Respectfully submitted,



Committee Chair

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON JUL 7 2023

COMMITTEE REPORT NO. 75



A BILL FOR AN ORDINANCE

RELATING TO REAL PROPERTY TAXATION.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to address the real property tax credit.

SECTION 2. Section 8-13.2, Revised Ordinances of Honolulu 2021, is amended to read as follows:

"§ 8-13.2 Real property tax credit established.

An owner is entitled to a real property tax credit equal to the amount by which the taxes owed for the same tax year in which the application is filed for the property exceed 3 percent of the titleholders' income, provided:

- (1) The owner has been granted the home exemption under § 8-10.3 when the application is filed;
- (2) The taxes owed for the same tax year in which the application is filed for the tax credit exceed 3 percent of the titleholders' combined income for the calendar year immediately preceding the date of the application;
- (3) The combined income of all titleholders of the property for the calendar year immediately preceding the date of the application does not exceed ~~[\$60,000;]~~ \$80,000;
- (4) No titleholder owns any other real property anywhere during the applicable tax year;
- (5) The titleholders have not violated § 8-13.5;
- (6) The amount of the tax after applying the credit is not less than the minimum tax required in § 8-11.1(g);
- (7) If the taxes owed, less any other one-time tax credit, are less than or equal to 3 percent of all titleholders' combined income for the calendar year immediately preceding the date of the application, no credit will be applied;



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____

BILL 37 (2022), CD1

A BILL FOR AN ORDINANCE

- (8) The titleholders of the property filed income tax returns, if required under Hawaii income tax law and under Internal Revenue Service regulations, on or before the date of filing an application for a tax credit; and
- (9) The grant of the application for a tax credit entitles the owner to a credit only for the tax year succeeding the tax year in which the application was filed. There will be no carryover tax credit."

SECTION 3. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____

BILL 37 (2022), CD1

A BILL FOR AN ORDINANCE

SECTION 4. This ordinance takes effect upon its approval and applies to tax years beginning July 1, 2024 and thereafter.

INTRODUCED BY:

Esther Kia'aina

DATE OF INTRODUCTION:

May 16, 2022

Honolulu, Hawai'i

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 _____.

RICK BLANGIARDI, Mayor
City and County of Honolulu

Bill 37 (2022), CD1 (CR-75)

was cancelled

6/7/23 Council meeting agenda

(per Chair 6/6/23)

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CITY AND COUNTY OF HONOLULU
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Respectfully submitted,



Committee Chair

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

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- (3) The combined income of all titleholders of the property for the calendar year immediately preceding the date of the application does not exceed [~~\$60,000;~~] \$80,000;
- (4) No titleholder owns any other real property anywhere during the applicable tax year;
- (5) The titleholders have not violated § 8-13.5;
- (6) The amount of the tax after applying the credit is not less than the minimum tax required in § 8-11.1(g);
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Esther Kia'aina

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Honolulu, Hawai'i

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 _____.

RICK BLANGIARDI, Mayor
City and County of Honolulu