

SUMMARY OF PROPOSED FLOOR DRAFT:

**BILL 37 (2022), CD1
RELATING TO REAL PROPERTY TAXATION.**

The PROPOSED FD1 makes the following amendments:

- A. Decreases the threshold for eligibility for a real property tax credit of combined income of all titleholders of the property for the calendar year from \$80,000 to \$70,000.
- B. Makes miscellaneous technical and nonsubstantive amendments.



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;~~] \$70,000;
- (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
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HONOLULU, HAWAII

ORDINANCE _____

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- (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.



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

INTRODUCED BY:

Esther Kia'āina

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