

HONOLULU CITY COUNCIL
KE KANIHELA O KE KALANA O HONOLULU
CITY AND COUNTY OF HONOLULU

ORDINANCE _____
BILL **68(2025)**

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 taxation of real property.

SECTION 2. Section 8-13.1, Revised Ordinances of Honolulu 2021, is amended to read as follows:

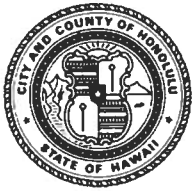
"§ 8-13.1 Definitions.

For the purposes of this article, the following definitions apply unless the context clearly indicates or requires a different meaning.

Income. The sum of federal total income as defined in the Internal Revenue Code of the United States of 1954, as amended, and all nontaxable income, including but not limited to:

- (1) Tax-exempt interest received from the federal government or any of its instrumentalities;
- (2) The gross amount of any IRA distribution, pension, or annuity benefits received (including Railroad Retirement Act of 1974 (45 USC Chapter 9, as amended) benefits and veterans disability pensions), excluding rollovers;
- (3) All payments received under the federal Social Security and State unemployment insurance laws;
- (4) Nontaxable contributions to any one or more of the following: public or private pension, annuity, or deferred compensation plans; and
- (5) Federal cost of living allowances.

All income set forth in the income tax return filed by the titleholder, whether the tax return is a joint tax return or an individual tax return, ~~shall~~ **must** be considered the titleholder's income. In the event a titleholder files a joint income tax return and the titleholder's spouse is not a titleholder, any income earned by the spouse set forth in the



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spouse's federal Internal Revenue Service Form W-2 or Social Security Administration Form SSA-1099 must be excluded from the determination of the titleholder's income. Income also does not include nonmonetary gifts from private sources, or surplus foods or other relief in kind provided by public or private agencies.

Property Owner. Has the same meaning as defined in § 8-6.3.

Qualified Surviving Spouse. A person who:

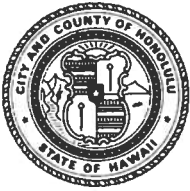
- (1) Is the surviving spouse of a property owner who, at the time of death, was the owner of property that was granted a tax credit under this article;
- (2) Is a transferee of the property directly from the deceased property owner or the estate thereof; and
- (3) Qualifies under this article for the tax credit on the same property.

Real Property Tax Credit. The tax credit established pursuant to § 8-13.2.

Taxes Owed. The tax calculated for the owner's property in the tax roll under § 8-3.1(a).

Titleholder. The property owner and any other entity listed on the deed or any other legal instrument establishing the entity's ownership right in the property. The term includes corporations and other business entities and trusts. The term does not include mortgage lenders."

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, 2027 and thereafter.

INTRODUCED BY:

Val A. Gons (BR)

DATE OF INTRODUCTION:

OCT 21 2025

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

Report Title:

Real Property Tax; Income Definition; County Tax Credit; Circuit Breaker Tax Credit

Description:

Amends the definition of income in ROH § 8-13.1 to clarify that only the titleholder's income (and not the income of a non-titleholder who is included on a joint income tax return) will be considered when calculating income eligibility for the County Tax Credit.

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