# RES26-062
# Testimony

**MISC. COMM. 160**

COUNCIL

**COUNCIL  Meeting**

Meeting Date: Apr 15, 2026 @ 10:00 AM

Support: 0

Oppose: 1

I wish to comment: 0

| Name: | Email: | Zip: |
| --- | --- | --- |
| Natalie Iwasa | iwasajunk@mail.com | 96825 |
| Representing: | Position: | Submitted: |
| Self | Oppose | Apr 14, 2026 @ 10:29 PM |

TO: Members of the Honolulu City Council

FROM: Natalie Iwasa, CPA, CFE
808-395-3233

DATE: Wednesday, April 15, 2026

SUBJECT: Resolution 26-62, Real Property Tax Rates - **OPPOSED**

Aloha Chair Waters and Councilmembers,

Thank you for allowing testimony on Resolution 26-62, which would set the real property tax rates for next fiscal year.

**Residential A and Bed and Breakfast Homes**

I continue to be very concerned with the disparity in treatment between landlords, who provide housing for over 40% of Oahu's residents, and homeowners who can afford a home to live in. Landlords who are have properties in the residential classification are charged **almost $500/year more** than homeowners under age 65 with exemptions. (The difference is $140 higher for homeowners with an exemption who are older than age 65.)

Landlords who own Residential A homes with an assessed value of $1.2 million (the current median home sale price) **pay over $2,500 more per year** ($6,280 - $3,710) in RPT than someone who has a homeowner's exemption. These higher taxes result in higher rents for tenants. I therefore oppose the rates for Residential A properties.

The bed and breakfast home rate is also too high.

Audits of Homeowners Exemption

It was recently reported that the city is conducting a "mass audit" of properties with the homeowner's exemption. (See Honolulu Star-Advertiser's Off the News from April 9, and Kokua Line from April 7.) While I support this effort, I am concerned that once again the city is going beyond what is needed to get verifying information. In addition, they are asking property owners to submit documents via email, which is not secure.

According to the reports, property owners are to submit copies of their federal and Hawaii income tax returns as well as a utility bill. It was noted income tax returns are required to determine residency of the owner, property ownership and whether there is rental income. The requirement to provide income tax returns is invasive and very likely unnecessary.

For example, the state Bureau of Conveyances has information on property ownership that is available to the public with payment of a fee. The city should be able to work with this department to obtain information on property ownership and use other documentation, such as a phone bill, for verification of residency.

It was also reported that the city requests this very sensitive information be transmitted via email, mail or in person. While they do suggest redacting social security numbers, tax returns often have other sensitive information, such as bank account numbers, that SHOULD NOT be emailed. At the very least, the city should offer a secure portal for taxpayers to upload sensitive documents.

**Please have a discussion about the city's auditing efforts on this and other exemptions.**

In addition, please **amend the resolution to decrease the real property tax rates** for Residential A and bed and breakfast homeowners.