



In reference to Act 59 of the 2009 Session Laws, amendment to § 247-2 Basis and rate of tax of the Hawaii Revised Statutes:
The tax imposed by section 247-1 shall be based on the actual and full consideration (whether cash or otherwise, including any promise, act, forbearance, property interest, value, gain, advantage, benefit, or profit), paid or to be paid, for all transfers or conveyance of realty or any interest therein, that shall include any liens or encumbrances thereon at the time of sale, lease, sublease, assignment, transfer, or conveyance, and shall be at the following rates shown in below table.

Conveyance Tax:			
		Scale #1: Applies to all transfers or conveyance of realty or any interest therein, except for a sale of a condominium or single family residence where the purchaser is not eligible for the county homeowner's exemption. (per \$100)	Scale #2: Applies to sales of condominium or single family residence where the purchaser is not eligible for the county homeowner's exemption. (per \$100)
At least:	But less than:		
\$0	\$600,000	10¢	15¢
\$600,000	\$1 million	20¢	25¢
\$1 million	\$2 million	30¢	40¢
\$2 million	\$4 million	50¢	60¢
\$4 million	\$6 million	70¢	85¢
\$6 million	\$10 million	90¢	\$1.10
\$10 million and above		\$1.00	\$1.25

Questions and Answers:

- Q-Vacant Land:** I am selling vacant land that is zoned residential. Which scale is used for this property?
A-Vacant Land: County home exemption is not applicable for vacant land. Therefore, the land is assessed by the graduated scale #1.
- Q-Commercial:** We have a \$1.5 million transaction for a commercial building. The property is classified as industrial. Which scale is to be used - 30¢ per \$100 or 40¢ per \$100?
A-Commercial: This is not a residential condo or single-family property. Therefore, use graduated scale #1.
- Q-Trusts:** My buyers are taking title to a single-family home in their trust; are they automatically subject to the higher rate even though they intend to use the property as their principal residence? We were told that corporations, partnerships, LLCs and LLPs were automatically subject to the higher rate since they cannot be considered owner/occupants.
A-Trusts: The entity clause only applies to corporations, partnerships, LLCs, LLPs, and investment trusts, such as a pension fund trust. If your buyers are the settlors and trustees of their own trusts which will hold title to the home, then they may qualify for a homeowner's exemption and graduated scale #1 would apply.

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