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A BILL FOR AN ORDINANCE

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RELATING TO THE REAL PROPERTY TAX CREDIT FOR LOW INCOME HOMEOWNERS.

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

SECTION 1. Purpose. The purpose of this ordinance is to modify the requirements regarding the real property tax credit for low-income homeowners.

SECTION 2. Section 8-13.2, Revised Ordinances of Honolulu 1990, is amended to read as follows:

**"Sec. 8-13.2 Real property tax credit established.**

[(a)] 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 [four] three percent of the titleholders' income, provided:

- (1) The owner has been granted the home exemption under Section 8-10.4 at the time the application is filed;
- (2) The taxes owed for the same tax year in which the application is filed for the tax credit exceed [four] three 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;
- (4) No titleholder owns any other real property anywhere during the applicable tax year;
- (5) The titleholders have not violated Section 8-13.5;
- (6) The maximum value of the credit is capped at \$6,000;
- (7) The amount of the tax after applying the credit is not less than the minimum tax required in Section 8-11.1(g);



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- ~~[(7)]~~[(8)] If the taxes owed less any other one-time tax credit are less than or equal to ~~[four]~~ three percent of all ~~[title-holders']~~ titleholders' combined income for the calendar year immediately preceding the date of the application, no credit ~~[shall]~~ will be applied;
- ~~[(8)]~~[(9)] The titleholder(s) of the property filed income tax returns, if required under Hawaii income tax law and under Internal Revenue Service regulations, on or before filing an application for a tax credit; and
- ~~[(9)]~~[(10)] The grant of the application of 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.
- ~~[(b)]~~ In lieu of the property tax credit provided in subsection (a), an owner otherwise qualifying for the tax credit under subsection (a) where any titleholder is 75 years of age or over on or before June 30th preceding the tax year for which the credit is claimed and the combined income of all titleholders to the applicable property for the calendar year immediately preceding the date of the application does not exceed \$60,000, is entitled to a real property tax credit equal to the amount by which the taxes owed for the property for the tax year in which the application was filed exceed three percent of the titleholders' combined income.]"

SECTION 3. Ordinance material to be repealed is bracketed. New ordinance 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, bracketed material, or the underscoring.



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SECTION 4. This ordinance takes effect upon its approval and will apply to applications due on September 30, 2016 and every year thereafter.

INTRODUCED BY:

*Amy Kobayashi*  
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*Mamala*  
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DATE OF INTRODUCTION:

**APR 28 2016**

\_\_\_\_\_  
Honolulu, Hawaii

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Councilmembers

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Deputy Corporation Counsel

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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KIRK CALDWELL, Mayor  
City and County of Honolulu