

REPORT OF THE COMMITTEE ON BUDGET

Voting Members:

Nestor Garcia, Chair; Gary H. Okino, Vice-Chair
Ikaika Anderson, Ann H. Kobayashi, Rod Tam

Committee Meeting Held
October 7, 2009

Honorable Todd K. Apo
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Bill 9 (2009) entitled:

“A BILL FOR AN ORDINANCE RELATING TO THE REAL PROPERTY TAX
CREDIT FOR LOW-INCOME HOMEOWNERS,”

which passed First Reading at the February 25, 2009 Council meeting, reports as follows:

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

Representatives of the Department of Budget and Fiscal Services testified in support of the intent of the measure.

Your Committee has amended the Bill to establish that the tax credit shall be the amount the taxes exceeds three percent of the titleholders' income, and the amount the taxes exceeds 2 percent of the titleholders' income for those 75-years-old or older.

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON OCT 27 2009

COMMITTEE REPORT NO. 327

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Your Committee on Budget is in accord with the intent and purpose of Bill 9 (2009) as amended herein, and recommends that it pass Second Reading, be scheduled for public hearing, and thereafter be referred back to Committee in the form attached hereto, as Bill 9 (2009), CD1. (Ayes: Garcia, Anderson, Kobayashi, Tam – 4; Noes: None; Excused: Okino – 1.)

Respectfully submitted,


Committee Chair

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON OCT 27 2009

COMMITTEE REPORT NO. 327



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____

BILL 9 (2009), CD1

A BILL FOR AN ORDINANCE

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 ("Real property tax credit established"), as amended, is amended to read as follows:

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

- (a) An owner shall be entitled to a real property tax credit equal to the amount by which the taxes calculated 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 tax year immediately succeeding the date of the application 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 \$50,000;
 - (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 amount of the tax after applying the credit shall not be less than the minimum tax required in Section 8-11.1(g);
 - (7) If the taxes owed less any other one-time tax credit are less than or equal to [four] three percent of all titleholders' combined income for the calendar



A BILL FOR AN ORDINANCE

year immediately preceding the date of the application, no credit shall be applied;

- (8) 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) The grant of the application of a tax credit shall entitle the owner to a credit only for the succeeding tax year. There shall 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 \$50,000, shall be entitled to a real property tax credit equal to the amount by which the taxes calculated for the property exceed [~~three~~ two] percent of the titleholders' 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 bracketed material, or the underscoring.



A BILL FOR AN ORDINANCE

SECTION 4. This ordinance shall take effect upon its approval and shall apply to tax years beginning July 1, 2011 and thereafter.

INTRODUCED BY:

Todd Apo

Nestor Garcia

DATE OF INTRODUCTION:

February 18, 2009
Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20____.

MUFU HANNEMANN, Mayor
City and County of Honolulu