

HAWAII CONVEYANCE TAXES

Unless an exemption applies, the State of Hawaii imposes a tax on the conveyances or transfers of real property and interests in real property by deed, lease, sublease, an assignment of lease, or other document (HRS §247-1). The tax is applied to the “actual and full consideration” paid or to be paid, which typically means the sales price (HRS §247-2).

Based on the sales price and signed certification of the buyer, Escrow calculates the conveyance tax and pays it to the State of Hawaii at the time that the document conveying real property is recorded at the Bureau of Conveyances.

WHO IS RESPONSIBLE FOR PAYING THE TAX?

The person responsible for the tax is generally the transferor, grantor, lessor, sublessor, conveyor, or other person conveying the real property interest (HRS §247-3). The Hawaii Association of REALTORS® standard purchase contract directs escrow to charge the conveyance tax to the seller.

WHAT IS THE TAX RATE?

Effective July 1, 2009, the tax rate ranges from \$.10 per \$100 to \$1.25 per \$100.

PROPERTY TYPE	\$600,000	\$600,000 TO \$999,999	\$1,000,000 TO \$1,999,999	\$2,000,000 TO \$3,999,999	\$4,000,000 TO \$5,999,999	\$6,000,000 TO \$9,999,999	\$10,000,000 OR GREATER
All real property or any interest therein except a condominium, or single family residence where the purchaser is eligible for the county homeowners’ exemption	\$0.10 Per \$100 0.10%	\$0.20 Per \$100 0.20%	\$0.30 Per \$100 0.30%	\$0.50 Per \$100 0.50%	\$0.70 Per \$100 0.70%	\$0.90 Per \$100 0.90%	\$1.00 Per \$100 1.00%
A condominium or single family residence, or interest therein, where the purchaser is not eligible for the county homeowners’ exemption	\$0.15 Per \$100 0.15%	\$0.25 Per \$100 0.25%	\$0.40 Per \$100 0.40%	\$0.60 Per \$100 0.60%	\$0.85 Per \$100 0.85%	\$1.10 Per \$100 1.10%	\$ 1.25 Per \$100 1.25%

The Conveyance Tax Certificate form required by the State of Hawaii requires that the seller and buyer, or an agent signing with proper authority, certify under oath and penalty of perjury that the statements contained in the Conveyance Tax Certificate as to the amount of consideration paid and buyer’s eligibility for a real property tax exemption are true.

The rates apply to transactions after July 1, 2009.

The information contained herein should not be considered legal advice. Consult with an attorney or tax advisor.

For more information please contact your First American representative

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