

JAN 19 2007

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# A BILL FOR AN ACT

RELATING TO CONVEYANCE TAX.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 247-3, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§247-3 Exemptions.** The tax imposed by section 247-1  
4 shall not apply to:

5           (1) Any document or instrument that is executed prior to  
6           January 1, 1967;

7           (2) Any document or instrument that is given to secure a  
8           debt or obligation;

9           (3) Any document or instrument that only confirms or  
10           corrects a deed, lease, sublease, assignment,  
11           transfer, or conveyance previously recorded or filed;

12           (4) Any document or instrument between husband and wife,  
13           reciprocal beneficiaries, or parent and child, in  
14           which only a nominal consideration is paid;

15           (5) Any document or instrument in which there is a  
16           consideration of \$100 or less paid or to be paid;



- 1           (6) Any document or instrument conveying real property  
2           that is executed pursuant to an agreement of sale, and  
3           where applicable, any assignment of the agreement of  
4           sale, or assignments thereof; provided that the taxes  
5           under this chapter have been fully paid upon the  
6           agreement of sale, and where applicable, upon such  
7           assignment or assignments of agreements of sale;
- 8           (7) Any deed, lease, sublease, assignment of lease,  
9           agreement of sale, assignment of agreement of sale,  
10          instrument or writing in which the United States or  
11          any agency or instrumentality thereof or the State or  
12          any agency, instrumentality, or governmental or  
13          political subdivision thereof are the only parties  
14          thereto;
- 15          (8) Any document or instrument executed pursuant to a tax  
16          sale conducted by the United States or any agency or  
17          instrumentality thereof or the State or any agency,  
18          instrumentality, or governmental or political  
19          subdivision thereof for delinquent taxes or  
20          assessments;
- 21          (9) Any document or instrument conveying real property to  
22          the United States or any agency or instrumentality



- 1           thereof or the State or any agency, instrumentality,  
2           or governmental or political subdivision thereof  
3           pursuant to the threat of the exercise or the exercise  
4           of the power of eminent domain;
- 5       (10) Any document or instrument that solely conveys or  
6           grants an easement or easements;
- 7       (11) Any document or instrument whereby owners partition  
8           their property, whether by mutual agreement or  
9           judicial action; provided that the value of each  
10          owner's interest in the property after partition is  
11          equal in value to that owner's interest before  
12          partition;
- 13       (12) Any document or instrument between marital partners or  
14          reciprocal beneficiaries who are parties to a divorce  
15          action or termination of reciprocal beneficiary  
16          relationship that is executed pursuant to an order of  
17          the court in the divorce action or termination of  
18          reciprocal beneficiary relationship;
- 19       (13) Any document or instrument conveying real property  
20          from a testamentary trust to a beneficiary under the  
21          trust;



- 1           (14) Any document or instrument conveying real property  
2                    from a grantor to the grantor's revocable living  
3                    trust, or from a grantor's revocable living trust to  
4                    the grantor as beneficiary of the trust;
- 5           (15) Any document or instrument conveying real property, or  
6                    any interest therein, from an entity that is a party  
7                    to a merger or consolidation under chapter 414, 414D,  
8                    415A, 421, 421C, 425, 425E, or 428 to the surviving or  
9                    new entity;
- 10          (16) Any document or instrument conveying real property, or  
11                    any interest therein, from a dissolving limited  
12                    partnership to its corporate general partner that  
13                    owns, directly or indirectly, at least a ninety per  
14                    cent interest in the partnership, determined by  
15                    applying section 318 (with respect to constructive  
16                    ownership of stock) of the federal Internal Revenue  
17                    Code of 1986, as amended, to the constructive  
18                    ownership of interests in the partnership; ~~and~~
- 19          (17) Any document or instrument conveying real property to  
20                    any nonprofit or for-profit organization that has been  
21                    certified by the Hawaii housing finance and



1 development corporation for low-income housing  
2 development [-];  
3 (18) Any document or instrument conveying realty, or any  
4 interest therein, from a husband and wife to a  
5 personal trust that the husband and wife are sole  
6 beneficiaries of that trust; and  
7 (19) Any document or instrument conveying realty, or any  
8 interest therein, from an individual or entity to a  
9 wholly owned single member disregarded entity  
10 recognized under the Internal Revenue Code."

11 SECTION 2. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 3. This Act shall take effect on July 1, 2007.

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INTRODUCED BY: *Gay L. Bean*



**Report Title:**

Conveyance Tax; Same Party Transfers

**Description:**

Exempts from taxation, transfers of conveyances of realty or interest therein between certain individuals or entities.

