

Advisory Bulletin



Hawai'i Association of REALTORS®
June 24, 2009

Updated Implementation Procedures of Conveyance Tax

The Department of Taxation and the Bureau of Conveyance have approved changes to the Conveyance Tax Certification documents (Form P-64A) and Exemptions to Conveyance Tax (Form P-64B) pursuant to H.B. 1471, or Act 59, which imposes a higher conveyance tax rate effective July 1, 2009.

We have provided for you copies of the forms and the instructions below. You may also download the forms from the Department of Taxation website at <http://www.state.hi.us/tax/>.

P-64A Conveyance Tax Certificate REV.pdf
P-64B Exemption from Conveyance Tax REV.pdf
P-64C Instructions for Form P-64A and Form P-64B REV.pdf

Several Facts

1. The Department of Taxation recommends that Form P-64A be printed on yellow paper.
2. At minimum, the buyer's (purchaser's) signature is required on the document. An agent must have a power of attorney if signing for a buyer or seller.
3. The higher tier conveyance tax rate or Tier Two will **ONLY** apply to condominium and single family residence for which the purchaser is **INELIGIBLE** for a county homeowner's exemption.

If the purchaser is eligible for a county homeowner's exemption on a condominium or single family residence, use Tier One conveyance tax rate. Commercial, timeshare, agricultural, industrial, etc. will also be taxed on Tier One rate.

4. Effective Dates

- a. Conveyance documents dated and signed prior to July 1, 2009 will be assessed at the current rate.
- b. Conveyance documents dated and signed on and after July 1, 2009 will be assessed the new conveyance tax subject to the new rates and new form.



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Conveyance Tax Rates - 2 Tier System

TIER ONE: For all transfers or conveyance of realty or any interest (i.e. commercial, timeshare, agricultural, industrial, etc, and condominium or single family residence for which the purchaser is eligible for a county homeowner's exemption):

\$1.00 to \$599,999.99 – 10¢ per \$100, rounded to nearest 10¢
\$600,000 to \$999,999.99 – 20¢ per \$100, rounded to nearest 10¢
\$1,000,000 to \$1,999,999 – 30¢ per \$100, rounded to nearest 10¢
\$2,000,000 to \$3,999,999 - 50¢ per \$100, rounded to nearest 10¢
\$4,000,000 to \$5,999,999 – 75¢ per \$100, rounded to nearest 10¢
\$6,000,000 to \$9,999,999 – 90¢ per \$100, rounded to nearest 10¢
\$10,000,000 or greater – 100¢ per \$100, rounded to nearest 10¢

TIER TWO: Only for the sale of a condominium or single family residence for which the purchaser is ineligible for a county homeowner's exemption:

\$1.00 to \$599,999.99 – 15¢ per \$100, rounded to nearest 10¢
\$600,000 to \$999,999.99 – 25¢ per \$100, rounded to nearest 10¢
\$1,000,000 to \$1,999,999 – 40¢ per \$100, rounded to nearest 10¢
\$2,000,000 to \$3,999,999 - 60¢ per \$100, rounded to nearest 10¢
\$4,000,000 to \$5,999,999 – 85¢ per \$100, rounded to nearest 10¢
\$6,000,000 to \$9,999,999 – 110¢ per \$100, rounded to nearest 10¢
\$10,000,000 or greater – 125¢ per \$100, rounded to nearest 10¢

More detailed additional information is available from the Hawai'i Association of REALTORS® website.

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