

## HOW TO FILE THE CLAIM FOR HOME EXEMPTION

Forms are available at: [www.hawaiipropertytax.com](http://www.hawaiipropertytax.com) You may also call or visit the Real Property Tax Office and ask for Form 19-71. Submit the completed form with a copy of your driver's license or proof of age. If you return the claim using the mail, the envelope must be postmarked by December 31 or June 30.

## CERTIFICATION ON CLAIM FOR HOME EXEMPTION

Once filed and granted, a claim for home exemption does not have to be re-filed annually as long as all requirements continue to be met. Through the Real Property Tax Office, the Director of Finance may request a new claim for home exemption to be completed. Any person who has been allowed an exemption, has a duty to report to the assessor within thirty days any change in the status, ownership, or use of the property (e.g. owner was living on the property and is now renting). Failure to submit such a report shall be cause for disqualification and penalty.

**Any person who fails to make a report within the time required shall be liable for rollback taxes and penalties. In addition to the penalty, any individual who files a fraudulent claim for an exemption or attests to any false statement shall be fined \$1,000.**

## OTHER EXEMPTIONS ARE AVAILABLE

If you:

- 1) Are blind, deaf or totally disabled
- 2) Have Hansen's disease
- 3) Are a totally disabled veteran

## MINIMUM TAX

**Parcels of real property including those that qualify for a home exemption are subject to a minimum tax.**



COUNTY OF HAWAII  
REAL PROPERTY TAX DIVISION

[www.hawaiipropertytax.com](http://www.hawaiipropertytax.com)

101 Pauahi Street, Suite 4  
Hilo, Hawai'i 96720  
Phone: (808) 961-8201

74-5044 Ane Keohokalole Hwy.,  
Bldg. D, 2nd Floor  
Kailua Kona, Hawai'i 96740  
Phone: (808) 323-4880

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## EXPLANATION OF THE REAL PROPERTY TAX

# HOME EXEMPTION PROGRAM



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## HOME EXEMPTION

This handout has been prepared by the Real Property Tax Division to assist property owners in the County of Hawai'i by providing an explanation of the benefits associated with the filing of a claim for home exemption. The home exemption is deducted from the assessed value of your property to help reduce the net taxable value for the property.

### BENEFITS OF THE HOME EXEMPTION PROGRAM

The home exemption program has two parts:

- 1) Homeowners exemption reduces the net taxable value of the property.
- 2) If the property is used exclusively as your principal residence (i.e., no rental, business or agricultural use) you may be placed in the homeowner tax class which is a preferential tax rate and includes a 3% assessment cap.

Receiving the homeowners exemption does not automatically qualify the property for the preferential tax class (rate).

The basic home exemption for homeowners under the age of 60 is \$40,000, for homeowners 60 to 69 years of age, \$80,000 and for homeowners 70 years of age or over, \$100,000 with age calculated as of January 1, the date of the assessment. An additional exemption of 20% of the assessed value of the property not to exceed \$80,000 was enacted effective 2005.

### SINGLE HOME EXEMPTION

The law allows just one home exemption for any taxpayer in any jurisdiction (i.e., the taxpayer has no other home or homestead exemption in any other jurisdiction). A married couple shall not be permitted exemption of separate homes owned by each of them, unless they are living separate and apart, in which case they shall be entitled to one exemption, to be apportioned equally between each of their respective homes.

### IF YOU SELL, RENT OR BUY ANOTHER HOME

If changes occur in the use of your home, such as renting, conducting a business or you no longer occupy the home, in total or portion, you must report such changes to the Real Property Tax Office. These changes will affect your exemption and/or preferential tax class (rate) and 3% assessment cap.

### IF YOU RECENTLY PURCHASED A NEW HOME IT IS IMPORTANT TO FILE A NEW HOME EXEMPTION CLAIM

You will not qualify for the exemption that was filed by the seller of the property nor will a claim be transferred from your former residence, if you had one.

## WHO QUALIFIES FOR THE HOME EXEMPTION?

You are eligible for the home exemption if:

- 1) You own and occupy the property as your principal home for more than 200 calendar days of a calendar year. The term "principal home" is defined as the place where an individual has a true, fixed, permanent home and principal establishment and to which place the individual has whenever absent, the intention of returning. It is the place in which a person has voluntarily fixed habitation, not for mere special, temporary or vacation purposes, but with the intention of making a permanent home. The four elements that are necessary for real property to be considered a "principal home" are:
  - A) The owner has no other home exemption or principal home in any other jurisdiction;
  - B) The owner maintains the principal home within the County;
  - C) The owner's actual physical occupancy of the principal home within the County; and
  - D) The owner has filed a Hawai'i state income tax return as a full time resident for each fiscal year that the exemption is sought or has filed a conditional waiver of this requirement.

If any portion of the property is utilized as a rental of less than 180 days, it will result in the disallowance of the Homeowner tax class (rate) and the 3% cap).

- 2) The ownership of your property is recorded at the Bureau of Conveyances on or before December 31 preceding the tax year for which the exemption is claimed or by June 30. All leases must be for a term of ten years or more and recorded at the Bureau of Conveyances in order for the lessee to qualify for the home exemption.

In the case of a lease of Hawaiian homestead land, either lessee and/or spouse shall be entitled to the home exemption. Proof of marriage must be submitted for the non-Hawaiian spouse claiming the home exemption.

- 3) You file a claim for home exemption, RP Form 19-71, with the Real Property Tax Office on or before Dec. 31 preceding the tax year for the first half payment or June 30 for the second half payment.
- 4) You have filed a State of Hawai'i Resident Income Tax Return (N-11) within the last 12 months or have requested a waiver from this requirement for one of the following reasons: You are a new resident to the State of Hawai'i and will file a State of Hawai'i Resident Income Tax Return (N-11) within the next 12 months or You are not required to file under State of Hawai'i Income Tax Law and not required to file income tax in any other jurisdiction other than at the U.S. Federal level and understand that you are required to refile this waiver every three (3) years.