

Excerpts from the STATE OF HAWAII—DEPARTMENT OF TAXATION INSTRUCTIONS FOR FORM P-64A AND FORM P-64B (REV. 2019)

What Is the State of Hawaii Conveyance Tax?

The conveyance tax is imposed on all transfers of ownership or interest in real property through deeds, leases, subleases, assignments of lease, agreements of sale, assignments of agreements of sale, instruments, writings, or other documents, unless the transfer is specifically exempted. The conveyance tax is imposed regardless of whether a document is recorded or not.

For Conveyance Tax Purposes, What Is a Transfer of Ownership or Interest in Real Property?

Transfers of ownership or interest in real property through deeds, leases, subleases, assignments of lease, agreements of sale, assignments of agreements of sale, instruments, writings, or other documents include, but are not limited to a:

- (a) sale of real property interest,
- (b) contribution of a real property interest by a shareholder, member, partner, or grantor to a corporation, limited liability company/limited liability partnership, partnership, or trust,
- (c) distribution of a real property interest from a corporation, limited liability company/limited liability partnership, partnership, or trust to its shareholder, member, partner, or beneficiary/trustee/grantor,
- (d) gift of real property interest,
- (e) payment for goods and/or services or payment of debt in the form of a real property interest, and
- (f) lease, sublease, or timeshare interest whose full unexpired term is for a period of five or more years.

Who Is Subject to the Conveyance Tax?

The person subject to the conveyance tax is generally the grantor, lessor, sublessor, assignor, transferor, seller, conveyor, or any other person conveying the real property interest.

How Is the Conveyance Tax Determined?

The conveyance tax is payable on the actual and full consideration actually paid or ultimately required to be paid; it is immaterial for purposes of the conveyance tax that the transfer or conveyance resulted in a gain or loss. The tax is calculated by multiplying the actual and full consideration by the following rates:

(1) Except as provided in paragraph (2):

- Ten cents (\$.10) per \$100 of the actual and full consideration for properties with a value of less than \$600,000
- Twenty cents (\$.20) per \$100 of the actual and full consideration for properties with a value of at least \$600,000, but less than \$1,000,000
- Thirty cents (\$.30) per \$100 of the actual and full consideration for properties with a value of at least \$1,000,000, but less than \$2,000,000
- Fifty cents (\$.50) per \$100 of the actual and full consideration for properties with a value of at least \$2,000,000, but less than \$4,000,000
- Seventy cents (\$.70) per \$100 of the actual and full consideration for properties with a value of at least \$4,000,000, but less than \$6,000,000
- Ninety cents (\$.90) per \$100 of the actual and full consideration for properties with a value of at least \$6,000,000 but less than \$10,000,000
- One dollar (\$1.00) per \$100 of the actual and full consideration for properties with a value of \$10,000,000 or greater

(2) For the sale of a condominium or single family residence for which the purchaser is ineligible for a county homeowner's exemption on property tax:

- Fifteen cents (\$.15) per \$100 of the actual and full consideration for properties with a value of less than \$600,000
- Twenty-five cents (\$.25) per \$100 of the actual and full consideration for properties with a value of at least \$600,000, but less than \$1,000,000
- Forty cents (\$.40) per \$100 of the actual and full consideration for properties with a value of at least \$1,000,000, but less than \$2,000,000
- Sixty cents (\$.60) per \$100 of the actual and full consideration for properties with a value of at least \$2,000,000, but less than \$4,000,000
- Eighty-five cents (\$.85) per \$100 of the actual and full consideration for properties with a value of at least \$4,000,000, but less than \$6,000,000
- One dollar and ten cents (\$1.10) per \$100 of the actual and full consideration for properties with a value of at least \$6,000,000 but less than \$10,000,000
- One dollar and twenty-five cents (\$1.25) per \$100 of the actual and full consideration for properties with a value of \$10,000,000 or greater. The conveyance tax imposed for each transaction shall be not less than one dollar (\$1.00).

The conveyance tax imposed for each transaction shall be not less than one dollar (\$1.00).

Actual and full consideration is the price or amount (whether cash or otherwise) actually paid or required to be paid for real property including the value of any liens or encumbrances thereon at the time of sale, lease, sublease, assignment of lease, agreement of sale, assignment of agreement of sale, transfer, or conveyance. Consideration is not limited to cash and includes any promise, act, forbearance, property, interest, value, gain, advantage, benefit, or profit offered by one party to another in return for the other party's act or promise. Consideration other than cash includes

- (a) tangible personal property, e.g., furniture and equipment,
- (b) an increase in the value of stock or interest in a partnership, limited liability partnership, or limited liability company,
- (c) a release from or assumption of indebtedness, e.g., mortgages, loans, and liens,
- (d) the fair market value of any properties exchanged,
- (e) the value of any increase in lease rent, or
- (f) any other economic benefit.