Important Information

Definition of Income for the Tax Credit Program:

Section (§) 8-13.1 of the Revised Ordinance of Honolulu 2021 Income. The sum of federal total income as defined in the Internal Revenue Code of the United States of 1954, as amended, and all nontaxable income, including but not limited to: (1) Tax-exempt interest received from the federal government or any of its instrumentalities; (2) The gross amount of any IRA distribution, pension, or annuity benefits received (including Railroad Retirement Act of 1974 (45 USC Chapter 9, as amended) benefits and veterans disability pensions), excluding rollovers; (3) All payments received under the federal Social Security and State unemployment insurance laws; (4) Nontaxable contributions to any one or more of the following: public or private pension, annuity or deferred compensation plans; and (5) Federal cost of living allowances. All income set forth in the tax return filed by the titleholder, whether the tax return is a joint tax return or an individual tax return, shall be considered the titleholder's income. Income does not include nonmonetary gifts from private sources, or surplus foods or other relief in kind provided by public or private agencies.

Information provided in the application and supporting documents must be complete and accurate. Erroneous or incomplete information may result in disqualification and prevent the applicant from receiving the real property tax credit.

Applications filed by September 30, 2026 will be used to apply real property tax credits to real property taxes due July 1, 2027 to June 30, 2028.

You must notify the Dept. of Budget and Fiscal Services, Div. of Treasury, Tax Relief Section immediately if the Eligibility Requirements listed under "Who Should File an Application", are no longer met or if the title to the property has been transferred. Failure to provide proper notification may result in the revocation of the real property tax credit and other penalties.

Applicants will be notified in writing by December 31, 2026 if their application is denied and will have the right to appeal.

Penalties (ROH) § 8-13.5. (a) Any person who: (1) Files a fraudulent application or attests to any false statement with the intent to defraud the city or evade the payment of real property taxes or any part thereof; or (2) In any manner intentionally deceives or attempts to deceive the city; is guilty of a violation and subject to a criminal fine of not more than $2,000, in addition to being responsible for paying any outstanding taxes, interest, and penalties. (b) During the tax year for which a tax credit was granted to an owner of property pursuant to this article, if the owner fails to notify the city within 30 days that the requirements of § 8-13.2 under which the credit was granted are no longer met, in addition to the consequences provided in § 8-13.6, the owner will be subject to a fine of $200.

Revocation of Credit (ROH) § 8-13.6. During the tax year for which a tax credit is granted to an owner of property pursuant to this article, if: (1) Title to the property is transferred to a new owner by gift, sale, devise, operation of law, or otherwise, except when title is transferred to a qualified surviving spouse; or (2) The requirements of § 8-13.2 under which the credit was granted are no longer met; then the tax credit will be revoked and the owner will owe property taxes in the amount of the tax credit. The additional taxes will be billed and be deemed delinquent if not paid within 30 days after the date of mailing of the tax bill, or if the credit is revoked within the tax year for which the credit was granted, within 30 days after the date of mailing of the tax bill, or on or before the next installment payment date, if any, for such taxes, whichever is later.

MAIL COMPLETED TAX RELIEF APPLICATION TO THE TAX RELIEF SECTION BY September 30, 2026 TO:

City and County of Honolulu
Department of Budget and Fiscal Services
Division of Treasury, Tax Relief Section
P O BOX 135028
Honolulu, HI 96801-5028

Privacy Notification

The principal purpose for requesting information is to administer the Real Property Tax Credit for Homeowners, an ordinance of the City and County of Honolulu. The applicant's social security number must be included to provide proper identification to permit processing of the application and to efficiently administer the tax credit program. Furnishing all of the appropriate information requested on the forms and accompanying instructions is required to enable the Director of Budget and Fiscal Services to determine eligibility. Failure to furnish the specified information requested on the forms may result in the denial of the application, delay in the approval of the property tax credit, or other disadvantage to the applicant. Information furnished on the claim for tax credit may be transferred to other governmental agencies as authorized by law. Individuals have the right to review their own records maintained by the Dept. of Budget and Fiscal Services. The official responsible for maintaining the information is the Director of the Dept. of Budget and Fiscal Services, City and County of Honolulu, 530 South King St. Honolulu, HI 96813.

Paid for by the taxpayers of the City and County of Honolulu.

IF YOU NEED MORE INFORMATION, PLEASE CALL THE TAX RELIEF SECTION AT (808) 768-3205, OR E-MAIL US AT: bfstaxrelief@honolulu.gov

CITY AND COUNTY OF HONOLULU

DEPARTMENT OF BUDGET AND FISCAL SERVICES
DIVISION OF TREASURY
ACCOUNTS RECEIVABLE BRANCH
TAX RELIEF SECTION

REAL PROPERTY TAX CREDIT FOR HOMEOWNERS

Tax Year July 1, 2027 – June 30, 2028

Refer to the Revised Ordinance of the City and County of Honolulu, ROH 2021 § 8-13.

Information is subject to change without notice

(808) 768-3205
Email: bfstaxrelief@honolulu.gov

Real Property Tax Credit
For Homeowners

The City and County of Honolulu offers a real property tax credit to property owners who meet certain eligibility requirements. If you qualify, you are entitled to a tax credit equal to the amount of taxes owed for the 2027 – 2028 tax year that exceed 3% of the titleholders' combined total gross income.

You May Qualify but not Benefit
If the assessed tax for 2027 - 2028 is less than 3% of total gross income, no tax credit will be applicable. (See Example 2)

What are the Eligibility Requirements?
Any property owner(s) who applies and meets all the following eligibility requirements will be granted a real property tax credit:

1. You must have a home exemption in effect on the property at the time of application and during the tax year July 1, 2027 – June 30, 2028.

2. Any of the titleholders do not own any other property anywhere.

3. Combined total gross income of all titleholders for the 2025 calendar year does not exceed $80,000. Gross income includes all taxable and non-taxable income for the 2025 calendar year.

4. None of the titleholders have violated ROH § 8-13.5, Penalties, by filing a fraudulent application or attesting to any false statements with the intent to defraud the city or evade the payment of real property taxes or in any manner intentionally deceives or attempts to deceive the city.

The tax credit will be the difference between your assessed real property tax and 3 percent of your total gross income.

Example 1

Mr. and Mrs. Joe Aloha applied for the Real Property Tax Credit on August 30, 2026. Their combined total gross income for 2025 was $35,000.00

Total Gross Income for 2025 of all Titleholders	$ 35,000.00
Multiply total gross income by 3% (x .03)	$ 1,050.00
2026 – 2027 Tax amount for the year	$ 2,400.00
Less 3% of total gross income	($1,050.00)
Tax Credit Amount to be applied for Tax Year 2027 – 2028.	**$ 1,350.00**

Mr. and Mrs. Aloha met the Real Property Tax Credit qualifications. Their current tax bill is greater than 3% of total gross income. They have a tax credit of $1,350 that will be applied to their 2027 - 2028 taxes.

Example 2

Mr. and Mrs. John Mahalo applied for the Real Property Tax Credit on August 15, 2026. Their combined total gross income for 2025 was $55,000.

Total Gross Income for 2025 of all Titleholders	$ 55,000.00
Multiply total gross income by 3% (x .03)	$ 1,650.00
2026 – 2027 Tax amount for the year	$ 1,500.00
Tax Credit Amount to be applied for Tax Year 2027 – 2028.	**$ 0.00**

Mr. and Mrs. Mahalo met the Real Property Tax Credit qualifications. Their current tax bill is less than 3% of total gross income. They qualify but do not benefit for a tax credit. The assessed tax is less than 3% of total gross income.

What is the Application Deadline?
September 30, 2026.

Applications must be received at the Division of Treasury by 4:30 p.m. or postmarked by **September 30, 2026**.

How do I get a Tax Credit Application?

Applications will be available at Satellite City Halls, Hawaii State Library locations, Real Property Assessment Division locations, and Treasury Office at Rm 115, 530 S. King St., Honolulu, HI 96813 yearly July through September.

Call the Tax Relief Office at (808) 768-3205 and we will mail you an application.

Download the application online at
https://www.honolulu.gov/treasury

When will the tax credit be applied to my real property taxes?
If approved, the tax credit will be applied to the July 1, 2027 – June 30, 2028 tax year.

Important Reminders
-You must apply **ANNUALLY** for this credit.

-No credit shall apply if the real property taxes owed, less any other one-time tax credit, are less than or equal to three percent (3%) of the combined total gross income of ALL titleholders.

-The amount of taxes owed after applying the tax credit will not be less than the **minimum tax a year, outlined in § 8-11.1 Revised Ordinance of Honolulu 2021.**