

November 22, 2013

MEMO TO: BF-74 File

F R O M: Mike White, Chair 
Budget and Finance Committee

SUBJECT: **TRANSMITTAL OF LEGISLATIVE PROPOSAL RELATING TO
CIRCUIT BREAKER TAX CREDIT** (BF-74; PAF 13-289)

The attached legislative proposal pertains to Item 74 on the committee's agenda.

paf:cmn:13-289c

Attachment

ORDINANCE NO. _____

BILL NO. _____ (2013)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE,
RELATING TO THE CIRCUIT BREAKER TAX CREDIT

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Section 3.48.605, Maui County Code, is amended to read as follows:

“3.48.605 Grounds—Real property taxes. In the case of a real property tax appeal, no taxpayer shall be deemed aggrieved by an assessment, nor shall an assessment be lowered or an exemption allowed, unless there is shown:

A. Assessment of the property exceeds by more than twenty percent the assessment of market value used by the director as the real property tax base; or

B. Lack of uniformity or inequality, brought about by inability of the methods used or error in the application of the methods to the property involved; or

C. Denial of an exemption to which the taxpayer is entitled and for which [he] the taxpayer has qualified; or

D. Illegality, on any ground arising under the Constitution or laws of the United States or the laws of the State or the ordinances of the county in addition to the ground of illegality of the methods used, mentioned in subsection B of this section[.]; or

E. Received the circuit breaker tax credit for the tax year ending June 30, 2014, but failed to qualify for the tax year ending June 30, 2015.”

SECTION 2. Section 3.48.810, Maui County Code, is amended to read as follows:

“3.48.810 Circuit breaker tax credit established. Upon proper application, a homeowner shall be entitled to a credit, not to exceed \$5,000, equal to the amount by which the real property taxes calculated for the homeowner property for the prior tax year exceeds two per cent of household income, provided:

A. The homeowner has been granted a home exemption on the homeowner property for at least five consecutive tax years, including the tax year immediately preceding the one for which the application for circuit breaker tax credit is filed;

B. Household income does not exceed \$100,000;

C. No member of the household, as defined in section 3.48.805, has an ownership interest in any other real property, unless the other real property is vacant and has a market land value, as determined by the director, that does not exceed \$10,000, from the date the application for circuit breaker tax credit is filed and throughout the tax year for which the credit applies;

D. The homeowner is in compliance with section 3.48.820;

E. The credit shall only apply for the succeeding tax year, with no carryover credit allowed;

F. The homeowner's gross building assessed value is not greater than \$400,000; and

G. Taxes on the property are not delinquent from the date the application is filed and throughout the tax year for which the credit applies.”

SECTION 3. Section 3.48.815, Maui County Code, is amended to read as follows:

“3.48.815 Application for circuit breaker tax credit. The application for circuit breaker tax credit shall be in a form prescribed by the director. The homeowner shall file the application during the application period beginning August 1 and ending December 31 immediately preceding the tax year for which the circuit breaker tax credit is claimed, for a credit upon taxes due in the immediately succeeding tax year. For the tax year ending June 30, 2015, the homeowner shall file the application by January 31, 2014. The homeowner shall certify that:

A. The requirements of section 3.48.810 have been read and understood;

B. The homeowner property shall continue to qualify for the home exemption throughout the succeeding tax year; and

C. Any information provided in support of the application is true and correct.”

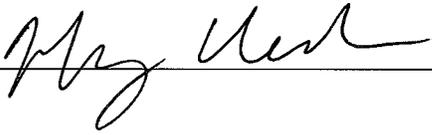
SECTION 4. Section 3.48.820, Maui County Code, is amended by amending subsection B to read as follows:

“B. The director shall determine if the homeowner qualifies for the circuit breaker tax credit. If the homeowner does not qualify for the circuit breaker tax credit, the director shall notify the homeowner on or before [April 30] March 1 preceding the tax year.”

SECTION 5. Material to be repealed is bracketed. New material is underscored. In printing this bill, the County Clerk need not include the brackets, the bracketed material, or the underscoring.

SECTION 6. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



Department of the Corporation Counsel
County of Maui

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