

Each year Kaua'i residents invest in their County when they pay real property taxes. Every dollar is returned in the form of vital services often taken for granted. Services such as fire and police protection, emergency management, road maintenance, street lighting, sewer treatment, refuse collection, transportation, maintenance of parks and recreational facilities, housing projects, and elderly services make up these investments. While the services are partially financed through a variety of other revenue sources including federal and state grants, amongst other endowments, approximately 80% of the County's general fund revenue comes from real property taxes.

REAL PROPERTY DIVISION

The Real Property Division administers the discovery, listing, valuation, and the tax collection of all real property in the County of Kaua'i. It assists the Real Property Board of Review in processing appeals; it manages the tax map keys (TMK); and it maintains the geographic information system (GIS) parcel layer. The Division's mission is to provide accurate, uniform, and timely assessment figures; to maintain and update ownership information; and to create and to revise tax maps as needed, for all real property in the County of Kaua'i.

Property owners are encouraged to visit the Real Property Division located at 4444 Rice Street, Līhu'e, HI. Individuals may inspect property records at the front counter or discuss property assessments with a county appraiser.

HOMEOWNERS EXEMPTIONS/TAX RELIEF

As a property owner you should be aware that there are homeowner's tax exemptions & property tax relief programs which may reduce your property tax, providing you apply with all requirements by **September 30** preceding the tax year.

CLAIM FOR HOME EXEMPTION

Homeowners or lessees, defined as Homeowners under Chapter 5.A-11.4 (a) and who are up to 60 years of age, will be eligible for a home exemption of **\$220,000**. Homeowners between the ages of 60 and 70 will receive **\$240,000** which will automatically increase to **\$260,000** for homeowners aged 70 and over. **NOTE:** You are required to contact the Real Property Assessment office should you change your status, such as moving, renting and/or using any portion of your residence as a business, within 30 days.

ADDITIONAL HOME EXEMPTION BASED ON INCOME

Properties receiving homeowner's exemption may be eligible for an additional **\$120,000** tax credit for low-income, provided the annual gross income of all owner occupants do not exceed 80% of the Kaua'i Median Household Income as published annually by the Kaua'i Housing Agency. **ANNUAL FILING IS REQUIRED.**

REAL PROPERTY DOES NOT AUTOMATICALLY GRANT HOMEOWNER EXEMPTIONS.

Completing a Use Survey does not mean you will get the homeowner exemption or the Owner-Occupied tax rate. To be eligible, individuals must file an exemption claim with all requirements met on or before September 30 for consideration. If approved, you do not need to apply annually. The additional exemption for age will occur when the eldest exemption applicant reaches the exemption age milestones.

VERY LOW-INCOME TAX CREDIT

Homeowners whose household incomes do not exceed 50% of the Kaua'i Median Household Income published by the Kaua'i Housing Agency for the calendar year preceding the application, shall be entitled to a credit equal to the difference between the calculated taxes and 3% of gross household income. Owners must have a current home exemption, taxes must be current, and the amount of credit cannot result in lowering the annual property taxes below the \$75.00 minimum tax. **ANNUAL FILING REQUIRED.**

HOME PRESERVATION LIMIT

Homeowners who meet the criteria in Subsection 5A-11A.2 (c) shall pay real property taxes at the **higher** of an amount equal to 3% of the combined gross income of all owners or \$500.00. To be eligible, owners must have maintained a home exemption for not less than 10 years, cannot own other real property, and must have combined gross income of \$200,000 or less. **ANNUAL FILING REQUIRED.**

LONG-TERM AFFORDABLE RENTAL

Any owner of real property who rents their real property exclusively as affordable long-term rentals may qualify for the Long-Term Affordable Rental tax classification. To qualify, rental rates must not exceed the affordable rental limits set by HUD and published by the Kaua'i Housing Agency, based on 90% of the Kaua'i Median Household Income.

DISABILITY EXEMPTION

Any homeowner who is blind, deaf or totally disabled shall be exempt up to \$50,000 in addition to the homeowner's exemption. Any person who is a disabled Veteran and is less than 80% disabled due to injuries received while on duty as a member of the United States Armed Forces shall, so long as he or she is disabled, be exempt of up to \$50,000.

DISABLED VETERAN EXEMPTION

Real Property for which a home exemption under Section 5A-11.4 has been established by a veteran who is 80% to totally disabled due to injuries sustained while on duty as a member of the United States Armed Forces shall be exempt from all property tax (with the exclusion of multi-unit properties) except the minimum tax of \$150. Qualified Additional Income Exemption filings are eligible for the discounted minimum tax of \$75. The tax credit will be valid if the veteran claiming the exemption remains totally disabled. Following the death of the disabled veteran, the surviving spouse, civil union partner, or reciprocal beneficiary may continue to receive this tax credit on the real property for which a home exemption has been established.

ASSESSMENT CAP

Starting in 2017, properties classified as Owner-Occupied or Owner-Occupied Mixed-Use for two consecutive years, have retained the same ownership, and not initiated any property characteristic changes shall have their assessed values limited to increases of 3%.

TAX MAP KEY IS IMPORTANT

Homeowners should know their tax map key number, which is also referred to as Parcel ID number. Real property is mapped and indexed numerically according to a tax map key system which identifies property based pm Zone, Section, Plat, and Parcel. To expedite customer service, all matters concerning property should be made in reference to the tax map **key number**.

ASSESSMENT NOTICES

The intervals when assessment notices are mailed are important to know. **Assessment notices are mailed each year by December 1st.** Upon receipt of an assessment notice, study it carefully. It lists tax classification, property value, exemptions and net taxable value. If an issue is found or if questions arise regarding an assessment, contact the Real Property Division. Individuals have until December 31 to appeal disputed assessments.

APPEAL PROCESS

Property owners, regretfully, do not question their assessment notice. By the time they receive their tax bill, disputed figures can no longer be addressed. Property owners are entitled to appeal the assessment. The process is quite simple and does not require legal counsel. **An appeal form must be completed, and a \$75.00 fee must be paid, for the appeal to be deemed as, "lodged."**

Appeals are heard by a five-member Board of Review composed of fellow community members. The taxpayer (appellant) is asked to state their case first, followed by the county appraiser, who then explains how the assessment was determined.

Tax assessment appeals can only be made between December 1st and December 31st. Unless an Amended Notice is issued, which would provide the taxpayer with 30 days from the date of mailing to appeal.

HOW TO CALCULATE PROPERTY TAX BILL

The formula for real property tax is:

$$\text{TOTAL NET TAXABLE VALUE} / 1,000 \times \text{Tax Rate} = \text{Property Tax}$$

Example for calculating your tax bill:

Step 1.

Total Property Assessed Value – Total Property Exemptions (if applicable) = Net Taxable Value

Step 2.

$$\text{Net Taxable Value} \times \text{Tax Rate} / (\text{per } \$1,000 \text{ of value}) = \text{Property Tax Bill}$$

The Tax Rate is based on the actual use of the parcel. As part of the annual budget-allocation process, the County Council sets the tax rates. The tax rates are set separately for each property class. **The property classes are: Non-Owner Occupied Residential, Owner-Occupied, Owner-Occupied Mixed-Use, Long-Term Affordable Rental, Vacation Rental, Commercial, Industrial, Agricultural, Conservation, Hotel/Resort.**

The tax classes may or may not be the same as the zoning. **Rates based on zoning will still apply on vacant or partially improved properties.**

The Owner-Occupied class includes properties used as owner's principal residence or properties with multiple units and each is used as either principal residence or long term affordable rental program.

IMPORTANT DATES

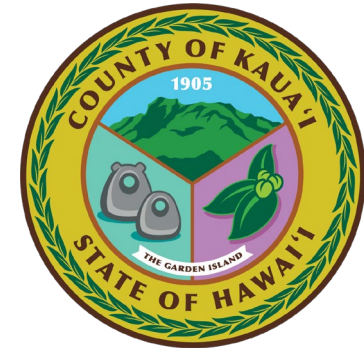
The fiscal year begins on July 1 and extends until the following June 30.

Below are the important dates to remember:

Sept 30	Deadline for filing exemption claims and recordation of ownership documents Deadline for applying for additional home exemptions based on income.
Oct 1	Date of Assessment for the upcoming tax year.
Dec 1	Assessment notices are mailed.
Dec 31	Deadline for assessment appeals.
Jan 20	Second half tax year bills mailed.
Feb 20	Second half tax year payment are due.
Mar 15	Certified assessment roll to County Council.
June 20	Tax Rate set by County Council.
July 1	Tax year commences. Deadline for filing Agriculture Dedication Petition. Deadline for filing Petition to Dedicate for Historic Preservation.
July 20	First half tax year bills mailed.
Aug 20	First half tax year payments are due.

State of Hawai'i Bureau of Conveyances
Kalanimoku Building
1151 Punchbowl St #120
Honolulu, HI 96813
Ph: (808)587-0147 Fax: (808)587-0136
Email: dlnr.bc.faq@hawaii.gov

Mailing address:
Bureau of Conveyances
P.O Box 2867
Honolulu, HI 96803



UNDERSTANDING YOUR REAL PROPERTY TAXES

County of Kaua'i
DEREK S. K. KAWAKAMI
Mayor



Department of Finance
REAL PROPERTY DIVISION
4444 Rice Street, Līhu'e, HI 96766-1326
PHONE NO. (808) 241-4224
FAX NO. (808) 241-6252
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WEBSITE: www.kauaipropertytax.com

***A nominal fee will be assessed if document copies are requested per § 4-2.2. of the Kaua'i County Code**