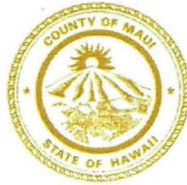


**RICHARD T. BISSEN, JR.**  
Mayor

**MARCY MARTIN**  
Director

**MARIA E. ZIELINSKI**  
Deputy Director



**DEPARTMENT OF FINANCE**  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov](http://www.mauicounty.gov)

August 7, 2025



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Honorable Richard T. Bissen, Jr.  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Alice L. Lee, Chair  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

Dear Chair Lee:

**SUBJECT: A BILL FOR AN ORDINANCE AMENDING SECTIONS 3.48.410 AND 3.48.450, MAUI COUNTY CODE, RELATING TO THE DEADLINE FOR FILING CLAIMS FOR REAL PROPERTY TAX EXEMPTIONS AND STANDARDS FOR VALUATION**

In response to BFED Committee Chair Yuki Lei K. Sugimura's November 18, 2024 request regarding real property tax exemptions, the Department of Finance is transmitting a proposed bill entitled, "A BILL FOR AN ORDINANCE AMENDING SECTIONS 3.48.410 AND 3.48.450, MAUI COUNTY CODE, RELATING TO THE DEADLINE FOR FILING CLAIMS FOR REAL PROPERTY TAX EXEMPTIONS AND STANDARDS FOR VALUATION." May we request this bill be placed on the next Council meeting agenda.

The purpose of the proposed bill is to amend Section 3.48.410 Maui County Code, to provide a partial exemption for property owners who miss the December 31 filing deadline to file for the home, or long-term rental exemption. The deadline for the partial exemptions will be September 30 each year.

**APPROVED FOR TRANSMITTAL**

*Richard T. Bissen, Jr.* 8-8-25  
Mayor Date

Currently, tax relief for the home and long-term rental exemptions is significant. When property owners miss the deadline, the resulting change in taxes creates a hardship. This bill establishes a partial exemption coupled with a penalty to offset the hardship of a statutorily missed deadline while maintaining an incentive to apply on a timely basis. This also enables the County to mitigate unanticipated real property tax revenue losses.

This ordinance also amends Section 3.48.450 to provide clarity on the State of Hawai'i resident income tax filing to facilitate the administration of the partial exemption.

For Fiscal Year 2025-2026, a total of 4,163 Long-Term Rental exemptions were granted. The proposed ordinance would allow late filers to qualify for half of the exemption, and the long-term rental class, subject to a 25% late filing penalty. The average tax relief for the long-term rental exemption is \$5,550 for FY 2025-26. If 50 partial exemptions were granted, the impact on revenue would be about \$200,000. However, the revenue reduction will serve to incentivize long-term rental use which benefits the County.

For Fiscal Year 2025-2026, a total of 1,441 new Homeowner Exemptions were granted. The proposed ordinance would allow late filers to qualify for half of the exemption, and the owner-occupied class, subject to a 25% late filing penalty. The average tax relief for the home exemption is \$8,262. If 50 partial exemptions were granted, the impact on revenue would be about \$300,000. However, the revenue reduction will serve to provide tax relief to new qualifying owner-occupant property owners.

If the committee would like this bill to be effective for the January 1, 2026 assessment year and the 2026-27 fiscal year, it may be necessary for a onetime initial deadline of October 1, 2025.

The amendment to Section 3.48.450 clarifies that to qualify for the partial or full home exemption, one must be a State of Hawaii resident income tax filer prior to January 1 of the exemption effective year. The timeline is essential for sustaining the program, which is the most significant in the State. The filing requirement enables compliance and incentivizes new residents to file income taxes in the State of Hawaii who might otherwise continue filing in other states or countries.

*Honorable Alice L. Lee, Council Chair*  
*August 7, 2025*  
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Thank you for your attention to this matter. Should you have any questions, please feel free to contact me or Deputy Director Maria Zielinski at extension 7722.

Sincerely,



MARCY MARTIN  
Director of Finance

Attachment