

ORDINANCE NO. \_\_\_\_\_

BILL NO. **170, CD1** (2025)

A BILL FOR AN ORDINANCE AMENDING SECTION 3.48.810,  
MAUI COUNTY CODE, ESTABLISHING A NEW CIRCUIT BREAKER  
TAX CREDIT CATEGORY

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

SECTION 1. The Council finds that spiking property valuations caused by recent land transactions have increased tax burdens for generational families and others. This Ordinance's purpose is to respond to that circumstance by exercising the Council's broad powers of real property taxation under Article VIII, Section 3, of the Hawai'i State Constitution and establishing a new tax credit for qualified homeowners. The Council's intent in establishing this second category of "circuit breaker" tax credit is to further the following public policy objectives established in the Countywide Policy Plan:

- "Seek innovative ways to lower housing costs without compromising the quality of our island lifestyle."
- "Manage property-tax burdens to protect affordable resident homeownership."
- "Explore taxation mechanisms to increase and maintain access to affordable housing."

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

**"3.48.810 Circuit breaker tax credit established. A.**

Upon proper application, a homeowner is entitled to a credit, not to exceed \$8,200, equal to the amount by which the real property taxes calculated for the homeowner property for the prior tax year exceeds [2] two percent of household income, or the minimum tax as established in the annual budget ordinance, whichever is greater, [provided] subject to the following conditions:

[A.] 1. The homeowner has been granted a home exemption on the property receiving the tax credit for at least five out of the prior six tax years.

[B.] 2. Household income does not exceed \$126,000.

[C.] 3. The homeowner is in compliance with section 3.48.820.

[D.] 4. The credit only applies for the succeeding tax year, with no carryover credit allowed.

[E.] 5. The amount of the circuit breaker tax credit is based on the homeowner's gross building assessed value and must be phased out using the following schedule:

| Homeowner's gross building assessed value | Eligible percentage of circuit breaker tax credit |
|---|---|
| Up to \$1,000,000                         | 100%  |
| \$1,000,001 to \$1,100,000                | 80%   |
| \$1,100,001 to \$1,200,000                | 60%   |
| \$1,200,001 to \$1,250,000                | 40%   |
| \$1,250,001 to \$1,300,000                | 20%   |
| \$1,300,001 or more                       | 0%  |

[F.] 6. Taxes on the property are not delinquent for more than one year from the date the application is filed and throughout the tax year for which the credit applies.

B. Upon proper application, a homeowner is entitled to a credit, not to exceed \$10,000, equal to the amount by which the real property taxes calculated for the homeowner property for the prior tax year exceeds two percent of household income, or the minimum tax as established in the annual budget ordinance, whichever is greater, subject to the following conditions:

1. The homeowner has been granted a home exemption on the property receiving the tax credit for at least 15 out of the prior 20 tax years.

2. Household income does not exceed \$126,000.

3. The homeowner is in compliance with section 3.48.820.


4. The credit only applies for the succeeding tax year, with no carryover credit allowed.

5. Taxes on the property are not delinquent for more than one year from the date the application is filed and throughout the tax year for which the credit applies."

SECTION 3. 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 4. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:

A handwritten signature in black ink, appearing to read "Kristina C. Toshikiyo", is written over a horizontal line.

KRISTINA C. TOSHIKIYO  
Department of the Corporation Counsel  
County of Maui

rpitr:misc:013abill01:kes

INTRODUCED BY:

A handwritten signature in black ink, appearing to be 'Gabe Johnson', written above a horizontal line.

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GABE JOHNSON

DIGEST

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A BILL FOR AN ORDINANCE AMENDING SECTION 3.48.810,  
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TAX CREDIT CATEGORY

This bill proposes to establish an income-based real property tax credit of up to \$10,000 for qualified homeowners whose prior year's real property taxes exceed: 1) two percent of household income; or 2) the minimum tax in the annual budget ordinance, subject to eligibility conditions.

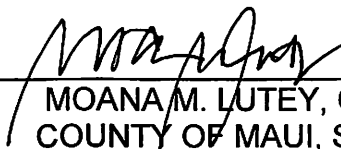
I, MOANA M. LUTEY, County Clerk of the County of Maui, State of Hawaii, DO  
HEREBY CERTIFY that the foregoing BILL NO. 170, CD1 (2025) was passed on First  
Reading by the Council of the County of Maui, State of Hawaii, on the 5th day of  
December, 2025, by the following vote:

AYES: Councilmembers Tom Cook, Gabriel Johnson, Tamara A.M. Paltin,  
'AE Keani N. W. Rawlins-Fernandez, Nohelani U'u-Hodgins, Vice-Chair  
Yuki Lei K. Sugimura, and Chair Alice L. Lee.

NOES: None.  
'A'OLE

EXCUSED: Councilmember Shane M. Sinenci.  
HO'OKU'U 'IA

DATED at Wailuku, Maui, Hawaii, this 8th of December, 2025.

  
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MOANA M. LUTEY, COUNTY CLERK  
COUNTY OF MAUI, STATE OF HAWAII

Copies of the foregoing Bill, in full, are on file in the Office of the County Clerk,  
County of Maui, for use and examination by the public.