RICHARD T. BISSEN, JR.
Mayor

JOSIAH NISHITA
Managing Director

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COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAI'I 96793
www.mauicounty.gov

April 26, 2024

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

APPROVED FOR TRANSMITTAL

Mayor 4/26/24 Date

For Transmittal to:

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

Dear Chair Lee and Members:

SUBJECT: **A BILL FOR AN ORDINANCE AMENDING SECTION 3.48.810, MAUI COUNTY CODE, RELATING TO THE CIRCUIT BREAKER TAX CREDIT**

On behalf of the Department of Finance, I am transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 3.48.810, MAUI COUNTY CODE, RELATING TO THE CIRCUIT BREAKER TAX CREDIT."

The purpose of the proposed bill is to Section 3.48.810, Maui County Code, is to increase the maximum credit from $6,500 to $8,200, increase the maximum household income limit from $100,000 to $126,000, and change the building value qualifications from a maximum of $750,000 to $1,000,000 for 100 percent of the credit.

The circuit breaker section of the code was previously amended by Ordinance 5108 in 2020. At that time, the credit limit and gross building thresholds were increased due to increasing assessments. Assessments have continued to increase over the last four years. Properties that received the circuit

breaker tax credit in Fiscal Year 2024 have experienced, on average, a 25 percent increase in their building assessments. Considering this data, the Department of Finance and the Budget Office are proposing these changes to the circuit breaker tax credit.

These changes will not impact the Fiscal Year 2025 Budget. Circuit breaker applicants qualify from August 1 through December 31. By having this ordinance take effect on August 1, 2024, these changes will only begin to impact revenues in Fiscal Year 2026.

Thank you for your attention in this matter. Should you have any questions, please contact me at ext. 8239.

Sincerely,

LESLEY MILNER
Acting Budget Director

Attachments

cc: Maria Zielinski, Acting Finance Director