

## ATTACHMENT TO APPEAL OF "RESIDENTIAL A" PROPERTY TAX CLASSIFICATION

Taxpayer name & and tax map key of subject parcel

The owner(s) of the property with tax key [REDACTED], appeal the property tax "Residential A" classification in both tax years 2015 and 2014 on grounds 2 (lack of uniformity or inequality) and grounds 4 (illegality) of the appeal form:

- Properties were assigned to the Residential A property tax class based on "**an assessed value of \$1,000,000 or more**". Assessed values are set annually using a computer assisted process. Tax classifications are used to group properties for purposes of assessment by use and/or zoning.
- In June of 2014 the City applied a **flat rate** of 0.6 of 1% of assessed value to the Residential A class. This resulted in these taxpayers paying an unfair and unequal tax of \$2,500 more on the first million of assessed value than comparable properties that are assessed under \$1 million who paid at a 0.35 of 1% rate. **For example, an investment or second home property valued at \$999,999 is taxed at \$3,500 where as an investment or second home property valued just \$1 more at \$1,000,000 is taxed at \$6,000. This additional \$2,500 tax is not equitable.**
- The application of a flat rate to a class based on assessed value results in taxpayers using functionally identical properties for functionally identical uses yet paying at a different rate.

The Residential A Classification, as defined and executed with a flat rate, is unreasonable and arbitrary.

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The following definitions are from the City and County website [www.honoluluirealpropertytax.com](http://www.honoluluirealpropertytax.com):

### **Grounds for Appeal**

When you file an appeal, you must state the basis for your appeal. For real property tax cases, the ROH Section 8-12.3 specifies four grounds for appeal.

1. Assessment of the property exceeds by more than 10 percent of the market value of the property, or
- 2. Lack of uniformity or inequality, brought about by illegality of the methods used or error in the application of the methods to the property involved, or**
3. Denial of an exemption to which the taxpayer is entitled and for which such person has qualified, or
- 4. 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 city in addition to the ground of illegality of the methods used mentioned in clause 2.**

**"Residential A classification** – shall apply to the tax years beginning July 1, 2014 and thereafter.

Ordinance amendments Ord13-33 and Ord13-41 relating to Real Property classification – Residential A class.

ROH Section 8-7.1 Valuation – Consideration in fixing.

(i) "Residential A" shall mean a parcel, or portion thereof, which:

(1) Is improved with no more than two single family dwelling units, and

**(A) Has an assessed value of \$1,000,000 or more;**

(B) Does not have a home exemption; and

(C) Is zoned R-3.5, R-5, R-7.5, R-10 or R-20 or is dedicated for residential use;

(2) Is vacant land zoned R-3.5, R-5, R-7.5, R-10 or R-20 and has **an assessed value of \$1,000,000 or more;** or

(3) Is a condominium unit with **an assessed valuation \$1,000,000 or more** and does not have a home exemption.

Residential A excludes any parcel, or portion thereof, improved with military housing located on or outside of a military base.