# Hawaii Just Changed Property Taxes — Here's Who Pays More (2026)

Hawaii has the **lowest effective property tax rate in the U.S. — about 0.27%** — roughly a third of the national average of 0.9%. But your bill isn't small, because home values here are among the highest in the country.

The 2026 theme: **Lower taxes for locals and owner-occupants. Higher taxes for investors, second homes, and short-term rentals.**

# What's Your Next Step?

### Get the Full Guide

Everything you need to know about hawaii property taxes — in one place.

[Link to Youtube Description]

### Book a Meeting with the Experts

Talk directly with someone who knows Hawaii real estate and can help you plan your move.

[Link in Youtube Description]

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# Before We Dive In: Important Guardrails

### Not Tax or Legal Advice

We're real estate experts, not your CPA. Verify your specific situation with the county or a tax professional.

### Rates Are Set by County

There is no statewide property tax. Four counties = four sets of rules: **Honolulu (Oahu), Maui, Hawai‘i (Big Island), Kaua‘i.**

### Fiscal Year: July 1 – June 30

The new 2026 rates took effect **July 1, 2026** (FY 2026–27), adopted by county councils in May 2026.

### Numbers Move

Rates and exemptions change yearly. Always confirm current figures on your county's official website before making decisions.

# Property Tax 101: How Your Bill Is Built

**The Formula**

**(Assessed Value − Exemptions) ÷ 1,000 × Rate = Annual Tax**

Counties assess at 100% of market value. Rates are quoted per $1,000 of net taxable value.

**Classification Is Everything**

Your rate depends on **how the property is used** — owner-occupied, non-owner-occupied, short-term rental, or long-term rental — not just its value or zoning.

**The Home Exemption**

The single most valuable benefit: it **(1)** reduces your taxable value AND **(2)** reclassifies you into the lower owner-occupant rate. Filing it is the #1 money-saver.

*Why 2026 changes? Tight budgets — Big Island faced a ~$15M shortfall; Maui's assessed values dropped ~$550M. Councils chose to protect residents and shift the load onto investment properties.*

# Island-by-Island: 2026 Rate Snapshot

Same $1M home, four islands, four very different bills — and that gap matters more than people think when choosing where to land.

| Island | Owner-Occupied | Non-Owner / Investor | Short-Term Rental | Home Exemption |
|---|---|---|---|---|
| **Oahu** | $3.50/$1K | $4.00–$11.40/$1K (Res. A) | $9.00–$11.50/$1K | $120K / $160K (65+) |
| **Maui** | $1.65–$5.00/$1K | $6.25–$17.00/$1K | $13.00–$17.00/$1K | $200K–$300K |
| **Big Island** | $5.75/$1K | $13.60–$15.00/$1K ($2M–$4M) | New LTR class: $7.75/$1K | $50K (under 60) |
| **Kauaʻi** | $2.59–$3.50/$1K | Higher tiers above $1.3M | Rates held steady | $160K–$220K base |

### 🏝️ Oahu Headline

Bill 49 & 50 raise exemptions July 2027: $120K→$140K, kupuna $160K→$180K. ~$70/yr savings signal.

### 🏝️ Maui Headline

Biggest changes: STR tiers jumped, top-tier threshold dropped $3M→$2.5M. Raises ~$30M more from vacation rentals.

### 🏝️ Big Island Headline

Owner-occupied rate cut $5.95→$5.75. New LTR class at $7.75 drew 800+ applications to convert vacation homes.

### 🏝️ Kauaʻi Headline

Stability is the selling point. One of the two lowest effective rates in the U.S. (~0.21–0.22%). Ideal for retirees.

# How to Actually Pay Less: Your Action Checklist

01

### File Your Home Exemption

NOT automatic — buyers must file even if it's their primary residence. Reclassifies you to the lower rate AND reduces taxable value. Biggest single lever.

02

### Claim Kupuna / Senior Exemptions

Larger exemptions kick in at 65 (Oahu), and ages 60/70 on Kauaʻi and Big Island. Confirm your birthdate is on file with the county.

03

### Consider Long-Term Rental Classification

On Maui and Big Island, a 12-month lease to a resident moves you to a much lower class than a vacation rental.

04

### Appeal Your Assessment

If the county's value looks too high, appeal. Typical windows: Oahu by ~Jan 15; Maui by ~April 9. Confirm yearly.

05

### Check Circuit-Breaker Credits

Some counties offer income-based credits when taxes exceed a set % of income — critical for fixed-income retirees.

### ⚠️ Key Deadlines

**Home exemption filing:** Sept 30 (Oahu/Kauaʻi) or Dec 31 (Maui) preceding the tax year.
**Bills due:** Aug 20 and Feb 20 (two installments).

### ⚠️ #1 Trap to Avoid

If you buy a home with no exemption on file (e.g., a former rental), you may be stuck at the higher rate for a full cycle. **Check exemption status before closing.**

# What It Actually Costs: Real Numbers

## $4,830

### Oahu Owner-Occupant

$1.5M home, $120K exemption → $1.38M taxable × $3.50/$1K. Still cheaper than most mainland metros at the same price point.

## $9,700

### Oahu Investor

Same $1.5M property, no exemption (Residential A): $4.00 on first $1M + $11.40 on next $500K. That's the gap between living in it vs. renting it out.

## $17K+

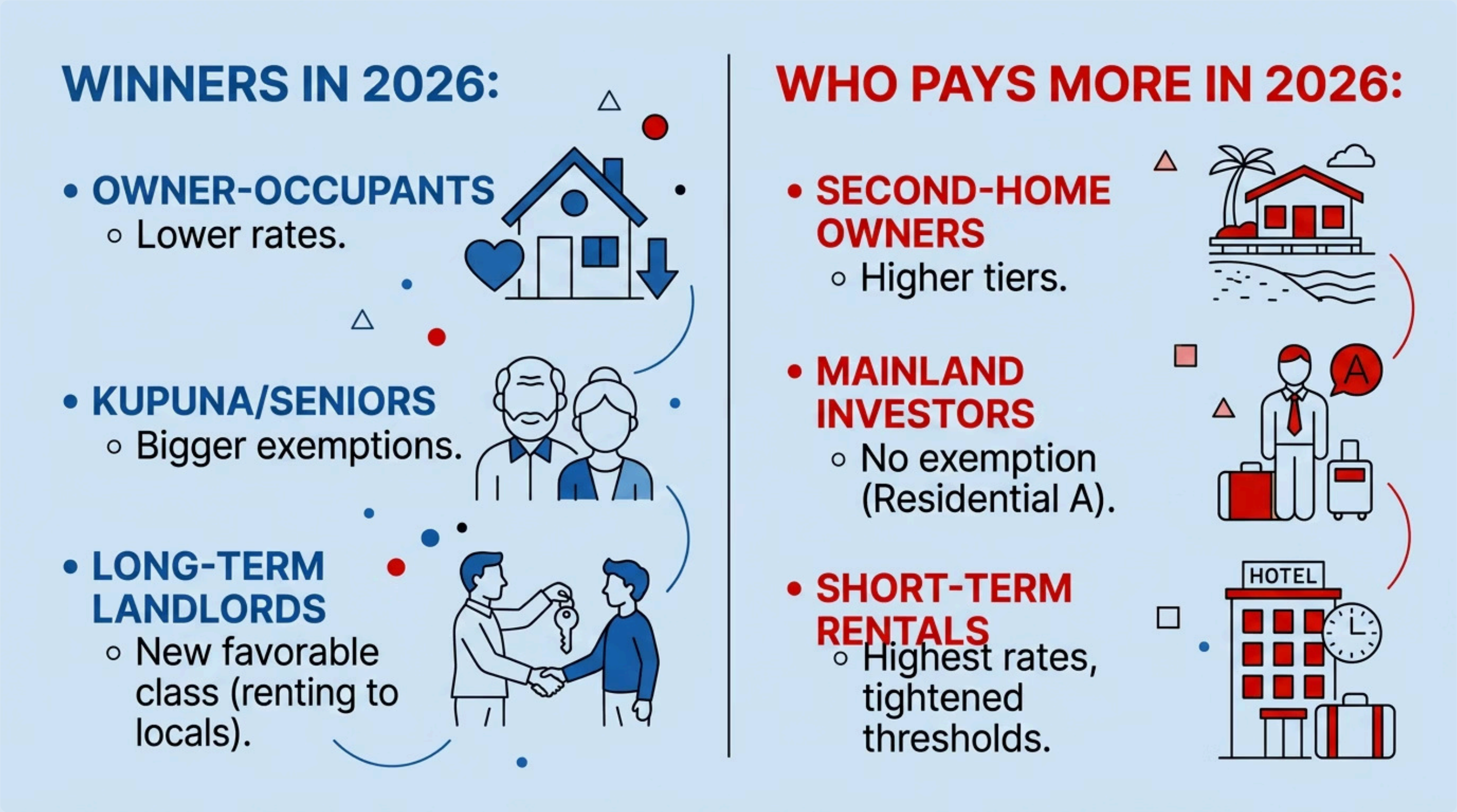
### Maui Vacation Rental

~$1.5M second home / STR at new tiers can run $15K–$19K+/yr. Re-check which tier you fall in after threshold changes.

## $8,700

### Big Island Long-Term Rental

$1.5M property under the new LTR class at $5.75/$1K. A significant discount vs. the $13.60–$15.00 investor rate — and why 800+ owners applied to convert.



# The Bottom Line: Who Should Buy Where?

### 🏠 Primary Residence

Hawaii's property taxes are genuinely **low** for owner-occupants, and 2026 made them friendlier. Great news for families and retirees actually moving here. File that exemption.

### 📈 Investment / Vacation Property

The math got **tougher** this year across all islands. Bake the higher rate into your numbers before you buy — especially on Maui and Oahu at the high end.

### 🗺️ Island Choice Matters

If predictable, low carrying cost is the priority, the differences between counties are worth a real conversation. Kauaʻi and Big Island offer the most stability for retirees.

**Not tax or legal advice.** Rates and exemptions change yearly — always verify current figures with your county or a qualified tax professional before making decisions.

# Mahalo for Watching!

Visit us at livinginhawaii.com