




HO'OKELE
TITLE & ESCROW

HARPTA

Hawai'i Real Property Tax Act



HARPTA is a Hawai'i State 7.25% withholding obligation imposed on the transferee/buyer when Hawai'i real property interest is acquired from nonresident person. This withholding serves to collect Hawai'i income tax that might be owed by a nonresident. HARPTA presumes that every seller is a nonresident and therefore is subject to withholding unless proof is provided to the buyer in the form of properly completed and approved withholding certificate (Form N289). The obligation to collect and remit the tax is placed upon the buyer or transferee from a non-resident Seller. The buyer or transferee must deduct, withhold from seller's proceeds, and pay to the Hawai'i Department of Taxation 7.25% of the amount realized by the seller, usually 7.25% of the sales price. Escrow must comply with this requirement, and will transmit the HARPTA payment to the Department of Taxation in connection with the closing.

Ho'okele Title & Escrow cannot provide advice to the parties regarding HARPTA, and each party is encouraged to contact its own attorney or tax advisor.

For more information please review the HARPTA statute and/or call the appropriate County office of the Department.

Oahu (808) 587-4242

Maui (808) 984-8500

Kauai (808) 274-3456

Hawai'i Island (808) 974-6321

Online www.hawaii.gov/tax