

**JOSH GREEN, M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

*Ka 'Oihana 'Auhau*  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1530  
FAX NO: (808) 587-1584

**GARY S. SUGANUMA**  
DIRECTOR OF TAXATION

**KRISTEN M.R. SAKAMOTO**  
DEPUTY DIRECTOR

January 30, 2026

## **DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2026-02**

**RE: Pre-Certification of General Excise Tax Exemption for Rental Income from Certified or Approved Housing Projects**

This Announcement details the procedure for obtaining pre-certification for the general excise tax (GET) exemption for rental income from certified or approved housing projects under sections 237-29 and 201H-36, Hawaii Revised Statutes (HRS).

### **I. Background on GET Exemption for Affordable Rents**

Sections 237-29 and 201H-36, HRS, provide a GET exemption for rental income received by a qualified person or firm for the leasing of affordable housing units in newly constructed or moderately or substantially rehabilitated rental housing projects certified or approved by the Hawai'i Housing Finance and Development Corporation (HHFDC) (hereinafter referred to as the "GET exemption for affordable rents").

To properly claim the GET exemption for affordable rents, a taxpayer must obtain certification from the certifying agency using Form G-37. This certification process generally occurs after the close of the year during which the taxpayer receives the affordable rents. Once certification is obtained from the certifying agency, the taxpayer may then claim the GET exemption for affordable rents for that tax year on Forms G-45 and G-49.

### **II. New Process for Pre-Certification for GET Exemption**

Because the deadline to file Forms G-45 and G-49 may elapse prior to the time that a qualified taxpayer is able to obtain certification on Form G-37, a taxpayer may be required to report and pay GET, then later, when the taxpayer obtains certification on Form G-37, amend their returns to claim the GET exemption and request a refund. To avoid this situation, the Department of Taxation (DOTAX) will allow qualified taxpayers to obtain pre-certification of the GET exemption for affordable rents.

Pre-certification is an optional process that will allow qualified taxpayers to claim the GET exemption for affordable rents on Forms G-45 and G-49 prior to obtaining the required certification on Form G-37. If a taxpayer does not opt to use the pre-certification process, and the taxpayer does not have Form G-37 on file for the tax year, the taxpayer may not claim the GET

exemption for affordable rents. Any improper claim for a GET exemption may result in the denial of the exemption and liability for unpaid taxes, penalties, and interest.

Pre-certification may be obtained by submitting a completed Form G-37 PRE with the following required documentation to HHFDC:

1. Estimated Income Statement
2. Estimated Rent Roll

Upon review and approval, HHFDC will complete and submit Form G-37 PRE to DOTAX and provide a copy to the taxpayer. Upon HHFDC's completion and approval of Form G-37 PRE, the taxpayer may claim the GET exemption for affordable rents on Forms G-45 and G-49, provided that the taxpayer must obtain the required certification on Form G-37 after the close of the year.

A taxpayer's receipt of a pre-certification shall not constitute a waiver of any requirements imposed on the taxpayer to claim the GET exemption for affordable rents, nor will it guarantee that the taxpayer will qualify for and obtain certification. A taxpayer who claims the GET exemption for affordable rents after obtaining pre-certification on Form G-37 PRE but who does not obtain certification on Form G-37 will be disqualified from claiming the GET exemption and may be subject to liability for unpaid taxes, penalties, and interest. Once approved, pre-certification on Form G-37 PRE will be valid until it is superseded or for a period of five years, whichever occurs first.

If you have any questions about this Announcement, please contact the Department of Taxation's Rules Office at (808) 587-1530, or via email at [Tax.Rules.Office@hawaii.gov](mailto:Tax.Rules.Office@hawaii.gov).

GARY S. SUGANUMA  
Director of Taxation