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# A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 237-23, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3           "(b) The exemptions enumerated in subsection (a) (3) to (6)  
4 shall apply only:

5           (1) To those persons who shall have registered with the  
6 department of taxation by filing a written application  
7 for registration in such form as the department shall  
8 prescribe, shall have paid the registration fee of  
9 \$20, and shall have had the exemption allowed by the  
10 department or by a court or tribunal of competent  
11 jurisdiction upon appeal from any assessment resulting  
12 from disallowance of the exemption by the department;

13           (2) To activities from which no profit inures to the  
14 benefit of any private stockholder or individual,  
15 except for death or other benefits to the members of  
16 fraternal societies; and

17           (3) To the fraternal, religious, charitable, scientific,  
18 educational, communal, or social welfare activities of



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1 such persons, or to the activities of such hospitals,  
 2 infirmaries, and sanitarium as such, and not to any  
 3 activity, including fundraising activity, the primary  
 4 purpose of which is to produce income even though the  
 5 income is to be used for, or in the furtherance of,  
 6 the exempt activities of such persons[-]; provided  
 7 that the fundraising income is produced by persons  
 8 exempted under section 501(c)(3), (4), (6), or (8) of  
 9 the Internal Revenue Code of 1986, as amended."

10 SECTION 2. Statutory material to be repealed is bracketed  
 11 and stricken. New statutory material is underscored.

12 SECTION 3. This Act shall take effect on July 1, 2006, and  
 13 apply to taxable years beginning after December 31, 2005.

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**Report Title:**

Charitable Fundraising Activities; General Excise Tax; Exemption

**Description:**

Exempts the general excise tax for fundraising activities.

