
A BILL FOR AN ACT

RELATING TO THE EXCLUSION OF PROCEEDS FROM THE MANUFACTURE,
PACKAGING, AND SALE OF FOOD FROM GENERAL EXCISE TAX
LIABILITY.

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

1 SECTION 1. Chapter 237, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§237- (a) Exemption for food. There shall be exempted
5 from, and excluded from the measure of, the taxes imposed by
6 this chapter all of the gross proceeds or income arising from
7 the manufacture, production, packaging, and sale of food items
8 within the State.

9 (1) As used in this section, "food items" means any
10 food or food product for home consumption except
11 alcoholic beverages, tobacco, and food products
12 prepared at the place of sale or at another location
13 and sold primarily for immediate or nearly immediate
14 consumption, and:

15 (A) In the case of those persons who are sixty
16 years of age or over or who receive supplemental
17 security income benefits under Title XVI of the



1 Social Security Act (42 U.S.C. §1381 et seq.),
2 and their spouses, includes meals prepared by and
3 served in senior citizens' centers, apartment
4 buildings occupied primarily by senior citizens,
5 private nonprofit establishments (eating or
6 otherwise) that feed senior citizens, private
7 establishments that contract with the appropriate
8 agency of the State to offer meals for senior
9 citizens at concessional prices, and meals
10 prepared for and served to residents of federally
11 subsidized housing for the elderly;
12 (B) In the case of persons sixty years of age or
13 over and persons who are physically or mentally
14 handicapped or otherwise so disabled that they
15 are unable to adequately prepare all of their
16 meals, includes meals prepared for and delivered
17 to them and their spouses at their home by a
18 public or private nonprofit organization or by a
19 private establishment that contracts with the
20 appropriate state agency to perform meal services
21 at concessional prices;

1 (C) In the case of narcotics addicts or
2 alcoholics served by drug addiction or alcoholic
3 treatment and rehabilitation programs, includes
4 meals prepared and served under rehabilitation
5 programs;

6 (D) In the case of disabled or blind recipients
7 of benefits under Title II or title XVI of the
8 Social Security Act (42 U.S.C. §§401 et seq.,
9 1381 et seq.) who are residents in a public or
10 private nonprofit group living arrangement that
11 serves not more than sixteen residents and is
12 certified by the appropriate state agency or
13 agencies under regulations issued under section
14 1616(e) of the Social Security Act (42 U.S.C.
15 §1382(e) (1), includes meals prepared and served
16 under the arrangement; and

17 (E) In the case of women and children
18 temporarily residing in public or private
19 nonprofit shelters for battered women and
20 children, includes meals prepared and served by
21 the residential shelters.

H.B. NO. 2924

1 The phrase "food items" may be further defined by the
 2 department of taxation through the enumeration of items in rules
 3 or informational releases, provided that the department shall
 4 consult with the federal Food and Nutrition Service of the
 5 United States Department of Agriculture in further defining the
 6 phrase "food items" for food stamp purposes.

7 SECTION 2. New statutory material is underscored.

8 SECTION 3. This Act, upon its approval, shall apply to
 9 taxable years beginning after December 31, 2005.

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HB 2921

Report Title:

General excise tax; exclusion for food

Description:

Excludes proceeds from the manufacture, packaging, and sale of food from general excise tax liability.

