
A BILL FOR AN ACT

RELATING TO TAXATION.

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- Small business exemption for exported products.

5 (a) Notwithstanding any law to the contrary, there shall be
6 exempted from the measure of the taxes imposed by this chapter
7 that portion of the gross proceeds derived by a small business
8 that is attributable to income received from the sale of
9 personal property or services sold in the State; provided that
10 at least ninety per cent of the total gross proceeds of the
11 small business is attributable to income received from the sale
12 of personal property and services exported out of the State.

13 (b) For the purposes of this section, the term "small
14 business" means a for-profit enterprise consisting of fewer than
15 twenty-five full-time or part-time employees and receiving gross
16 income of not more than \$500,000 in any taxable year."

17 SECTION 2. The department of taxation shall provide the
18 following information:



H.B. NO. 3086

- 1 (1) The number of small businesses that claimed the
2 exemption pursuant to this Act in fiscal years 2006-
3 2007 and 2007-2008;
- 4 (2) The average gross income of the taxpayers that claimed
5 the exemption in those fiscal years; and
- 6 (3) The total gross income that was exempted by this Act
7 during those fiscal years,
8 in a report to be submitted to the legislature not later than
9 twenty days prior to the convening of the regular session 2009.

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2006;
12 provided that section 1 of this Act shall be repealed on
13 December 31, 2009.

14

INTRODUCED BY:



JAN 25 2006



H.B. 3086

Report Title:

General Excise Tax; Exemption; Business..

Description:

Provides a GET exemption to small businesses that derive at least 90% of their business from exports.

