

JAN 25 2006

S.B. NO. 3112

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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 237-24, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§237-24 Amounts not taxable.** This chapter shall not  
4 apply to the following amounts:

5           (1) Amounts received under life insurance policies and  
6 contracts paid by reason of the death of the insured;

7           (2) Amounts received (other than amounts paid by reason of  
8 death of the insured) under life insurance, endowment,  
9 or annuity contracts, either during the term or at  
10 maturity or upon surrender of the contract;

11           (3) Amounts received under any accident insurance or  
12 health insurance policy or contract or under workers'  
13 compensation acts or employers' liability acts, as  
14 compensation for personal injuries, death, or  
15 sickness, including also the amount of any damages or  
16 other compensation received, whether as a result of  
17 action or by private agreement between the parties on  
18 account of the personal injuries, death, or sickness;



- 1           (4) The value of all property of every kind and sort
- 2                   acquired by gift, bequest, or devise, and the value of
- 3                   all property acquired by descent or inheritance;
- 4           (5) Amounts received by any person as compensatory damages
- 5                   for any tort injury to the person, or to the person's
- 6                   character reputation, or received as compensatory
- 7                   damages for any tort injury to or destruction of
- 8                   property, whether as the result of action or by
- 9                   private agreement between the parties (provided that
- 10                  amounts received as punitive damages for tort injury
- 11                  or breach of contract injury shall be included in
- 12                  gross income);
- 13           (6) Amounts received as salaries or wages for services
- 14                   rendered by an employee to an employer;
- 15           (7) Amounts received as alimony and other similar payments
- 16                   and settlements;
- 17           (8) Amounts collected by [~~distributors~~]:
- 18                   (A) Distributors as fuel taxes on "liquid fuel"
- 19                   imposed by chapter 243[, ~~and the amounts~~
- 20                   ~~collected by such distributors~~];
- 21                   (B) Distributors as a fuel tax imposed by any Act of
- 22                   the Congress of the United States; and



- 1            (C) The State pursuant to this chapter for motor  
2            vehicle gasoline;
- 3            (9) Taxes on liquor imposed by chapter 244D on dealers  
4            holding permits under that chapter;
- 5            (10) The amounts of taxes on cigarettes and tobacco  
6            products imposed by chapter 245 on wholesalers or  
7            dealers holding licenses under that chapter and  
8            selling the products at wholesale;
- 9            (11) Federal excise taxes imposed on articles sold at  
10           retail and collected from the purchasers thereof and  
11           paid to the federal government by the retailer;
- 12           (12) The amounts of federal taxes under chapter 37 of the  
13           Internal Revenue Code, or similar federal taxes,  
14           imposed on sugar manufactured in the State, paid by  
15           the manufacturer to the federal government;
- 16           (13) An amount up to, but not in excess of, \$2,000 a year  
17           of gross income received by any blind, deaf, or  
18           totally disabled person engaging, or continuing, in  
19           any business, trade, activity, occupation, or calling  
20           within the State; a corporation all of whose  
21           outstanding shares are owned by an individual or  
22           individuals who are blind, deaf, or totally disabled;



1 a general, limited, or limited liability partnership,  
2 all of whose partners are blind, deaf, or totally  
3 disabled; or a limited liability company, all of whose  
4 members are blind, deaf, or totally disabled;

5 (14) Amounts received by a producer of sugarcane from the  
6 manufacturer to whom the producer sells the sugarcane,  
7 where:

8 (A) The producer is an independent cane farmer, so  
9 classed by the Secretary of Agriculture under the  
10 Sugar Act of 1948 (61 Stat. 922, Chapter 519) as  
11 the Act may be amended or supplemented;

12 (B) The value or gross proceeds of sale of the sugar,  
13 and other products manufactured from the  
14 sugarcane, is included in the measure of the tax  
15 levied on the manufacturer under section 237-  
16 13(1) or (2);

17 (C) The producer's gross proceeds of sales are  
18 dependent upon the actual value of the products  
19 manufactured therefrom or the average value of  
20 all similar products manufactured by the  
21 manufacturer; and



1 (D) The producer's gross proceeds of sales are  
2 reduced by reason of the tax on the value or sale  
3 of the manufactured products;

4 (15) Money paid by the State or eleemosynary child-placing  
5 organizations to foster parents for their care of  
6 children in foster homes; and

7 (16) Amounts received by a cooperative housing corporation  
8 from its shareholders in reimbursement of funds paid  
9 by such corporation for lease rental, real property  
10 taxes, and other expenses of operating and maintaining  
11 the cooperative land and improvements; provided that  
12 such a cooperative corporation is a corporation:

13 (A) Having one and only one class of stock  
14 outstanding;

15 (B) Each of the stockholders of which is entitled  
16 solely by reason of the stockholder's ownership  
17 of stock in the corporation, to occupy for  
18 dwelling purposes a house, or an apartment in a  
19 building owned or leased by the corporation; and

20 (C) No stockholder of which is entitled (either  
21 conditionally or unconditionally) to receive any  
22 distribution not out of earnings and profits of





**SB. NO. 312**

**Report Title:**

General Excise Tax; Gasoline; Motor Vehicles

**Description:**

Suspends the collection of the GET on motor vehicle gasoline for two years.

