
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 as fuel taxes on
- 18 "liquid fuel" imposed by chapter 243, and the amounts
- 19 collected by such distributors as a fuel tax imposed
- 20 by any Act of the Congress of the United States;
- 21 (9) Taxes on liquor imposed by chapter 244D on dealers
- 22 holding permits under that chapter;



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



1 (14) Amounts received by a producer of sugarcane from the
2 manufacturer to whom the producer sells the sugarcane,
3 where:

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

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

13 (C) The producer's gross proceeds of sales are
14 dependent upon the actual value of the products
15 manufactured therefrom or the average value of
16 all similar products manufactured by the
17 manufacturer; and

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



- 1 (15) Money paid by the State or eleemosynary child-placing
- 2 organizations to foster parents for their care of
- 3 children in foster homes; [~~and~~]

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

- 10 (A) Having one and only one class of stock
- 11 outstanding;

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

- 17 (C) No stockholder of which is entitled (either
- 18 conditionally or unconditionally) to receive any
- 19 distribution not out of earnings and profits of
- 20 the corporation except in a complete or partial
- 21 liquidation of the corporation[~~-~~]; and



1 (17) Amounts received for the installation or purchase of a
2 "renewable energy technology system" or a "solar or
3 wind energy system" as those terms are defined under
4 section 235-12.5 from persons fifty-five years of age
5 or older whose primary source of income is exempt from
6 taxation under section 235-7(2) or (3); provided that
7 the person does not qualify for the tax credit under
8 section 235-12.5."

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

11 SECTION 3. This Act shall take effect upon its approval
12 and shall apply to taxable years beginning after December 31,
13 2006.

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INTRODUCED BY: 

JAN 19 2007

Report Title:

Renewable Energy Technology; General Excise Tax Exemption

Description:

Provides a general excise tax exemption for amounts received for the installation or purchase of renewable energy or solar or wind energy systems from taxpayers 55 and over, whose primary source of income is from a pension, who do not qualify for the renewable energy technologies tax credit.

