

JAN 22 2007

A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

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- Exemption of certain private hospitals;
5 verification; rules. (a) There shall be exempted from, and
6 excluded from the measure of, the taxes imposed by this chapter
7 all of the gross proceeds arising from the operation of a
8 private hospital in the State; provided that sixty per cent or
9 more of the annual patient population treated by the private
10 hospital consists of uninsured, medicaid, and medicare patients.
11 For the purposes of this section, "private hospital" means a
12 private institution with an organized medical staff, regulated
13 under section 321-11(10), that admits patients for inpatient
14 care, diagnosis, observation, and treatment.

15 (b) Before June 30 of each year, the private hospital
16 shall submit to the director of taxation verification that sixty
17 per cent or more of the hospital's prior annual patient



1 population consisted of uninsured, medicaid, and medicare
2 patients.

3 (c) The director of taxation shall:

4 (1) Prepare forms as necessary to be used to verify the
5 information required under subsection (b); and

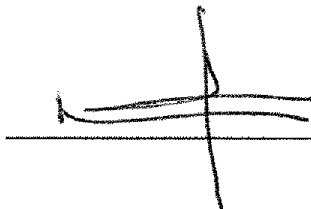
6 (2) Adopt rules in accordance with chapter 91 to carry out
7 the effect of this section."

8 SECTION 2. New statutory material is underscored.

9 SECTION 3. This Act, upon its approval, shall apply to
10 gross income or gross proceeds received after June 30, 2007.

11

INTRODUCED BY:

 B/R



Report Title:

General Excise Tax Exemption; Uninsured, Medicaid, and Medicare Patients

Description:

Exempts private hospitals from the general excise tax provided that sixty per cent or more of the private hospital's annual patient population consists of uninsured, medicaid, and medicare patients. Requires the private hospital to submit verification to the department of taxation. Requires the department of taxation to adopt rules.

