

JAN 18 2008

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 237-13, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§237-13 Imposition of tax.** There is hereby levied and
4 shall be assessed and collected annually privilege taxes against
5 persons on account of their business and other activities in the
6 State measured by the application of rates against values of
7 products, gross proceeds of sales, or gross income, whichever is
8 specified, as follows:

9 (1) Tax on manufacturers.

10 (A) Upon every person engaging or continuing within
11 the State in the business of manufacturing,
12 including compounding, canning, preserving,
13 packing, printing, publishing, milling,
14 processing, refining, or preparing for sale,
15 profit, or commercial use, either directly or
16 through the activity of others, in whole or in
17 part, any article or articles, substance or



1 substances, commodity or commodities, the amount
2 of the tax to be equal to the value of the
3 articles, substances, or commodities,
4 manufactured, compounded, canned, preserved,
5 packed, printed, milled, processed, refined, or
6 prepared for sale, as shown by the gross proceeds
7 derived from the sale thereof by the manufacturer
8 or person compounding, preparing, or printing
9 them, multiplied by one-half of one per cent.

10 (B) The measure of the tax on manufacturers is the
11 value of the entire product for sale, regardless
12 of the place of sale or the fact that deliveries
13 may be made to points outside the State.

14 (C) If any person liable for the tax on manufacturers
15 ships or transports the person's product, or any
16 part thereof, out of the State, whether in a
17 finished or unfinished condition, or sells the
18 same for delivery to points outside the State
19 (for example, consigned to a mainland purchaser
20 via common carrier f.o.b. Honolulu), the value of
21 the products in the condition or form in which
22 they exist immediately before entering interstate



1 or foreign commerce, determined as hereinafter
2 provided, shall be the basis for the assessment
3 of the tax imposed by this paragraph. This tax
4 shall be due and payable as of the date of entry
5 of the products into interstate or foreign
6 commerce, whether the products are then sold or
7 not. The department shall determine the basis
8 for assessment, as provided by this paragraph, as
9 follows:

10 (i) If the products at the time of their entry
11 into interstate or foreign commerce already
12 have been sold, the gross proceeds of sale,
13 less the transportation expenses, if any,
14 incurred in realizing the gross proceeds for
15 transportation from the time of entry of the
16 products into interstate or foreign
17 commerce, including insurance and storage in
18 transit, shall be the measure of the value
19 of the products;

20 (ii) If the products have not been sold at the
21 time of their entry into interstate or
22 foreign commerce, and in cases governed by



1 clause (i) in which the products are sold
2 under circumstances such that the gross
3 proceeds of sale are not indicative of the
4 true value of the products, the value of the
5 products constituting the basis for
6 assessment shall correspond as nearly as
7 possible to the gross proceeds of sales for
8 delivery outside the State, adjusted as
9 provided in clause (i), or if sufficient
10 data are not available, sales in the State,
11 of similar products of like quality and
12 character and in similar quantities, made by
13 the taxpayer (unless not indicative of the
14 true value) or by others. Sales outside the
15 State, adjusted as provided in clause (i),
16 may be considered when they constitute the
17 best available data. The department shall
18 prescribe uniform and equitable rules for
19 ascertaining the values;

20 (iii) At the election of the taxpayer and with the
21 approval of the department, the taxpayer may
22 make the taxpayer's returns under clause (i)



1 even though the products have not been sold
2 at the time of their entry into interstate
3 or foreign commerce; and

4 (iv) In all cases in which products leave the
5 State in an unfinished condition, the basis
6 for assessment shall be adjusted so as to
7 deduct the portion of the value as is
8 attributable to the finishing of the goods
9 outside the State.

10 (2) Tax on business of selling tangible personal property;
11 producing.

12 (A) Upon every person engaging or continuing in the
13 business of selling any tangible personal
14 property whatsoever (not including, however,
15 bonds or other evidence of indebtedness, or
16 stocks), there is likewise hereby levied, and
17 shall be assessed and collected, a tax equivalent
18 to four per cent of the gross proceeds of sales
19 of the business; provided that insofar as the
20 sale of tangible personal property is a wholesale
21 sale under section 237-4(a)(8)(B), the sale shall
22 be subject to section 237-13.3. Upon every



1 person engaging or continuing within this State
2 in the business of a producer, the tax shall be
3 equal to one-half of one per cent of the gross
4 proceeds of sales of the business, or the value
5 of the products, for sale, if sold for delivery
6 outside the State or shipped or transported out
7 of the State, and the value of the products shall
8 be determined in the same manner as the value of
9 manufactured products covered in the cases under
10 paragraph (1) (C).

11 (B) Gross proceeds of sales of tangible property in
12 interstate and foreign commerce shall constitute
13 a part of the measure of the tax imposed on
14 persons in the business of selling tangible
15 personal property, to the extent, under the
16 conditions, and in accordance with the provisions
17 of the Constitution of the United States and the
18 Acts of the Congress of the United States which
19 may be now in force or may be hereafter adopted,
20 and whenever there occurs in the State an
21 activity to which, under the Constitution and
22 Acts of Congress, there may be attributed gross



1 proceeds of sales, the gross proceeds shall be so
2 attributed.

3 (C) No manufacturer or producer, engaged in such
4 business in the State and selling the
5 manufacturer's or producer's products for
6 delivery outside of the State (for example,
7 consigned to a mainland purchaser via common
8 carrier f.o.b. Honolulu), shall be required to
9 pay the tax imposed in this chapter for the
10 privilege of so selling the products, and the
11 value or gross proceeds of sales of the products
12 shall be included only in determining the measure
13 of the tax imposed upon the manufacturer or
14 producer.

15 (D) When a manufacturer or producer, engaged in such
16 business in the State, also is engaged in selling
17 the manufacturer's or producer's products in the
18 State at wholesale, retail, or in any other
19 manner, the tax for the privilege of engaging in
20 the business of selling the products in the State
21 shall apply to the manufacturer or producer as
22 well as the tax for the privilege of



1 manufacturing or producing in the State, and the
2 manufacturer or producer shall make the returns
3 of the gross proceeds of the wholesale, retail,
4 or other sales required for the privilege of
5 selling in the State, as well as making the
6 returns of the value or gross proceeds of sales
7 of the products required for the privilege of
8 manufacturing or producing in the State. The
9 manufacturer or producer shall pay the tax
10 imposed in this chapter for the privilege of
11 selling its products in the State, and the value
12 or gross proceeds of sales of the products, thus
13 subjected to tax, may be deducted insofar as
14 duplicated as to the same products by the measure
15 of the tax upon the manufacturer or producer for
16 the privilege of manufacturing or producing in
17 the State; provided that no producer of
18 agricultural products who sells the products to a
19 purchaser who will process the products outside
20 the State shall be required to pay the tax
21 imposed in this chapter for the privilege of
22 producing or selling those products.



1 (E) A taxpayer selling to a federal cost-plus
2 contractor may make the election provided for by
3 paragraph (3) (C), and in that case the tax shall
4 be computed pursuant to the election,
5 notwithstanding this paragraph or paragraph (1)
6 to the contrary.

7 (F) The department, by rule, may require that a
8 seller take from the purchaser of tangible
9 personal property a certificate, in a form
10 prescribed by the department, certifying that the
11 sale is a sale at wholesale; provided that:

12 (i) Any purchaser who furnishes a certificate
13 shall be obligated to pay to the seller,
14 upon demand, the amount of the additional
15 tax that is imposed upon the seller whenever
16 the sale in fact is not at wholesale; and

17 (ii) The absence of a certificate in itself shall
18 give rise to the presumption that the sale
19 is not at wholesale unless the sales of the
20 business are exclusively at wholesale.

21 (3) Tax upon contractors.



1 (A) Upon every person engaging or continuing within
2 the State in the business of contracting, the tax
3 shall be equal to four per cent of the gross
4 income of the business.

5 (B) In computing the tax levied under this paragraph,
6 there shall be deducted from the gross income of
7 the taxpayer so much thereof as has been included
8 in the measure of the tax levied under
9 subparagraph (A), on:

10 (i) Another taxpayer who is a contractor, as
11 defined in section 237-6;

12 (ii) A specialty contractor, duly licensed by the
13 department of commerce and consumer affairs
14 pursuant to section 444-9, in respect of the
15 specialty contractor's business; or

16 (iii) A specialty contractor who is not licensed
17 by the department of commerce and consumer
18 affairs pursuant to section 444-9, but who
19 performs contracting activities on federal
20 military installations and nowhere else in
21 this State;



1 provided that any person claiming a deduction
2 under this paragraph shall be required to show in
3 the person's return the name and general excise
4 number of the person paying the tax on the amount
5 deducted by the person.

6 (C) In computing the tax levied under this paragraph
7 against any federal cost-plus contractor, there
8 shall be excluded from the gross income of the
9 contractor so much thereof as fulfills the
10 following requirements:

11 (i) The gross income exempted shall constitute
12 reimbursement of costs incurred for
13 materials, plant, or equipment purchased
14 from a taxpayer licensed under this chapter,
15 not exceeding the gross proceeds of sale of
16 the taxpayer on account of the transaction;
17 and

18 (ii) The taxpayer making the sale shall have
19 certified to the department that the
20 taxpayer is taxable with respect to the
21 gross proceeds of the sale, and that the
22 taxpayer elects to have the tax on gross



1 income computed the same as upon a sale to
2 the state government.

3 (D) A person who, as a business or as a part of a
4 business in which the person is engaged, erects,
5 constructs, or improves any building or
6 structure, of any kind or description, or makes,
7 constructs, or improves any road, street,
8 sidewalk, sewer, or water system, or other
9 improvements on land held by the person (whether
10 held as a leasehold, fee simple, or otherwise),
11 upon the sale or other disposition of the land or
12 improvements, even if the work was not done
13 pursuant to a contract, shall be liable to the
14 same tax as if engaged in the business of
15 contracting, unless the person shows that at the
16 time the person was engaged in making the
17 improvements the person intended, and for the
18 period of at least one year after completion of
19 the building, structure, or other improvements
20 the person continued to intend to hold and not
21 sell or otherwise dispose of the land or
22 improvements. The tax in respect of the



1 improvements shall be measured by the amount of
2 the proceeds of the sale or other disposition
3 that is attributable to the erection,
4 construction, or improvement of such building or
5 structure, or the making, constructing, or
6 improving of the road, street, sidewalk, sewer,
7 or water system, or other improvements. The
8 measure of tax in respect of the improvements
9 shall not exceed the amount which would have been
10 taxable had the work been performed by another,
11 subject as in other cases to the deductions
12 allowed by subparagraph (B). Upon the election
13 of the taxpayer, this paragraph may be applied
14 notwithstanding that the improvements were not
15 made by the taxpayer, or were not made as a
16 business or as a part of a business, or were made
17 with the intention of holding the same. However,
18 this paragraph shall not apply in respect of any
19 proceeds that constitute or are in the nature of
20 rent; all such gross income shall be taxable
21 under paragraph (9); provided that insofar as the
22 business of renting or leasing real property



1 under a lease is taxed under section 237-16.5,
2 the tax shall be levied by section 237-16.5.

3 (4) Tax upon theaters, amusements, radio broadcasting
4 stations, etc.

5 (A) Upon every person engaging or continuing within
6 the State in the business of operating a theater,
7 opera house, moving picture show, vaudeville,
8 amusement park, dance hall, skating rink, radio
9 broadcasting station, or any other place at which
10 amusements are offered to the public, the tax
11 shall be equal to four per cent of the gross
12 income of the business, and in the case of a sale
13 of an amusement at wholesale under section 237-
14 4(a)(13), the tax shall be subject to section
15 237-13.3.

16 (B) The department may require that the person
17 rendering an amusement at wholesale take from the
18 licensed seller a certificate, in a form
19 prescribed by the department, certifying that the
20 sale is a sale at wholesale; provided that:

21 (i) Any licensed seller who furnishes a
22 certificate shall be obligated to pay to the



1 person rendering the amusement, upon demand,
2 the amount of additional tax that is imposed
3 upon the seller whenever the sale is not at
4 wholesale; and

5 (ii) The absence of a certificate in itself shall
6 give rise to the presumption that the sale
7 is not at wholesale unless the person
8 rendering the sale is exclusively rendering
9 the amusement at wholesale.

10 (5) Tax upon sales representatives, etc. [~~Upon~~] Except
11 as provided in section 237-24.3(13), upon every person
12 classified as a representative or purchasing agent
13 under section 237-1, engaging or continuing within the
14 State in the business of performing services for
15 another, other than as an employee, there is likewise
16 hereby levied and shall be assessed and collected a
17 tax equal to four per cent of the commissions and
18 other compensation attributable to the services so
19 rendered by the person.

20 (6) Tax on service business.

21 (A) Upon every person engaging or continuing within
22 the State in any service business or calling



1 including professional services not otherwise
2 specifically taxed under this chapter, there is
3 likewise hereby levied and shall be assessed and
4 collected a tax equal to four per cent of the
5 gross income of the business, and in the case of
6 a wholesaler under section 237-4(a)(10), the tax
7 shall be equal to one-half of one per cent of the
8 gross income of the business. Notwithstanding
9 the foregoing, a wholesaler under section 237-
10 4(a)(10) shall be subject to section 237-13.3.

11 (B) The department may require that the person
12 rendering a service at wholesale take from the
13 licensed seller a certificate, in a form
14 prescribed by the department, certifying that the
15 sale is a sale at wholesale; provided that:

16 (i) Any licensed seller who furnishes a
17 certificate shall be obligated to pay to the
18 person rendering the service, upon demand,
19 the amount of additional tax that is imposed
20 upon the seller whenever the sale is not at
21 wholesale; and



1 (ii) The absence of a certificate in itself shall
2 give rise to the presumption that the sale
3 is not at wholesale unless the person
4 rendering the sale is exclusively rendering
5 services at wholesale.

6 (C) Where any person engaging or continuing within
7 the State in any service business or calling
8 renders those services upon the order of or at
9 the request of another taxpayer who is engaged in
10 the service business and who, in fact, acts as or
11 acts in the nature of an intermediary between the
12 person rendering those services and the ultimate
13 recipient of the benefits of those services, so
14 much of the gross income as is received by the
15 person rendering the services shall be subjected
16 to the tax at the rate of one-half of one per
17 cent and all of the gross income received by the
18 intermediary from the principal shall be
19 subjected to a tax at the rate of four per cent.
20 Where the taxpayer is subject to both this
21 subparagraph and to the lowest tax rate under
22 subparagraph (A), the taxpayer shall be taxed



1 under this subparagraph. This subparagraph shall
2 be repealed on January 1, 2006.

3 (D) Where any person is engaged in the business of
4 selling interstate or foreign common carrier
5 telecommunication services within and without the
6 State, other than as a home service provider, the
7 tax shall be imposed on that portion of gross
8 income received by a person from service which is
9 originated or terminated in this State and is
10 charged to a telephone number, customer, or
11 account in this State notwithstanding any other
12 state law (except for the exemption under section
13 237-23(a)(1)) to the contrary. If, under the
14 Constitution and laws of the United States, the
15 entire gross income as determined under this
16 paragraph of a business selling interstate or
17 foreign common carrier telecommunication services
18 cannot be included in the measure of the tax, the
19 gross income shall be apportioned as provided in
20 section 237-21; provided that the apportionment
21 factor and formula shall be the same for all
22 persons providing those services in the State.



1 (E) Where any person is engaged in the business of a
2 home service provider, the tax shall be imposed
3 on the gross income received or derived from
4 providing interstate or foreign mobile
5 telecommunications services to a customer with a
6 place of primary use in this State when such
7 services originate in one state and terminate in
8 another state, territory, or foreign country;
9 provided that all charges for mobile
10 telecommunications services which are billed by
11 or for the home service provider are deemed to be
12 provided by the home service provider at the
13 customer's place of primary use, regardless of
14 where the mobile telecommunications originate,
15 terminate, or pass through; provided further that
16 the income from charges specifically derived from
17 interstate or foreign mobile telecommunications
18 services, as determined by books and records that
19 are kept in the regular course of business by the
20 home service provider in accordance with section
21 239-24, shall be apportioned under any
22 apportionment factor or formula adopted under



1 section 237-13(6)(D). Gross income shall not
2 include:
3 (i) Gross receipts from mobile
4 telecommunications services provided to a
5 customer with a place of primary use outside
6 this State;
7 (ii) Gross receipts from mobile
8 telecommunications services that are subject
9 to the tax imposed by chapter 239;
10 (iii) Gross receipts from mobile
11 telecommunications services taxed under
12 section 237-13.8; and
13 (iv) Gross receipts of a home service provider
14 acting as a serving carrier providing mobile
15 telecommunications services to another home
16 service provider's customer.
17 For the purposes of this paragraph, "charges for
18 mobile telecommunications services", "customer",
19 "home service provider", "mobile
20 telecommunications services", "place of primary
21 use", and "serving carrier" have the same meaning
22 as in section 239-22.



- 1 (7) Tax on insurance producers. Upon every person engaged
2 as a licensed producer pursuant to chapter 431, there
3 is hereby levied and shall be assessed and collected a
4 tax equal to 0.15 per cent of the commissions due to
5 that activity.
- 6 (8) Tax on receipts of sugar benefit payments. Upon the
7 amounts received from the United States government by
8 any producer of sugar (or the producer's legal
9 representative or heirs), as defined under and by
10 virtue of the Sugar Act of 1948, as amended, or other
11 Acts of the Congress of the United States relating
12 thereto, there is hereby levied a tax of one-half of
13 one per cent of the gross amount received; provided
14 that the tax levied hereunder on any amount so
15 received and actually disbursed to another by a
16 producer in the form of a benefit payment shall be
17 paid by the person or persons to whom the amount is
18 actually disbursed, and the producer actually making a
19 benefit payment to another shall be entitled to claim
20 on the producer's return a deduction from the gross
21 amount taxable hereunder in the sum of the amount so
22 disbursed. The amounts taxed under this paragraph



1 shall not be taxable under any other paragraph,
2 subsection, or section of this chapter.

3 (9) Tax on other business. Upon every person engaging or
4 continuing within the State in any business, trade,
5 activity, occupation, or calling not included in the
6 preceding paragraphs or any other provisions of this
7 chapter, there is likewise hereby levied and shall be
8 assessed and collected, a tax equal to four per cent
9 of the gross income thereof. In addition, the rate
10 prescribed by this paragraph shall apply to a business
11 taxable under one or more of the preceding paragraphs
12 or other provisions of this chapter, as to any gross
13 income thereof not taxed thereunder as gross income or
14 gross proceeds of sales or by taxing an equivalent
15 value of products, unless specifically exempted."

16 SECTION 2. Section 237-24.3, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§237-24.3 Additional amounts not taxable.** In addition to
19 the amounts not taxable under section 237-24, this chapter shall
20 not apply to:

21 (1) Amounts received from the loading, transportation, and
22 unloading of agricultural commodities shipped for a



1 producer or produce dealer on one island of this State
2 to a person, firm, or organization on another island
3 of this State. The terms "agricultural commodity",
4 "producer", and "produce dealer" shall be defined in
5 the same manner as they are defined in section 147-1;
6 provided that agricultural commodities need not have
7 been produced in the State;

8 (2) Amounts received from sales of:

9 (A) Intoxicating liquor as the term "liquor" is
10 defined in chapter 244D;

11 (B) Cigarettes and tobacco products as defined in
12 chapter 245; and

13 (C) Agricultural, meat, or fish products;

14 to any person or common carrier in interstate or
15 foreign commerce, or both, whether ocean-going or air,
16 for consumption out-of-state on the shipper's vessels
17 or airplanes;

18 (3) Amounts received by the manager, submanager, or board
19 of directors of:

20 (A) An association of apartment owners of a
21 condominium property regime established in
22 accordance with chapter 514A or 514B; or



- 1 (B) A nonprofit homeowners or community association
- 2 incorporated in accordance with chapter 414D or
- 3 any predecessor thereto and existing pursuant to
- 4 covenants running with the land,
- 5 in reimbursement of sums paid for common expenses;
- 6 (4) Amounts received or accrued from:
 - 7 (A) The loading or unloading of cargo from ships,
 - 8 barges, vessels, or aircraft, whether or not the
 - 9 ships, barges, vessels, or aircraft travel
 - 10 between the State and other states or countries
 - 11 or between the islands of the State;
 - 12 (B) Tugboat services including pilotage fees
 - 13 performed within the State, and the towage of
 - 14 ships, barges, or vessels in and out of state
 - 15 harbors, or from one pier to another; and
 - 16 (C) The transportation of pilots or governmental
 - 17 officials to ships, barges, or vessels offshore;
 - 18 rigging gear; checking freight and similar
 - 19 services; standby charges; and use of moorings
 - 20 and running mooring lines;
- 21 (5) Amounts received by an employee benefit plan by way of
- 22 contributions, dividends, interest, and other income;



1 and amounts received by a nonprofit organization or
2 office, as payments for costs and expenses incurred
3 for the administration of an employee benefit plan;
4 provided that this exemption shall not apply to any
5 gross rental income or gross rental proceeds received
6 after June 30, 1994, as income from investments in
7 real property in this State; and provided further that
8 gross rental income or gross rental proceeds from
9 investments in real property received by an employee
10 benefit plan after June 30, 1994, under written
11 contracts executed prior to July 1, 1994, shall not be
12 taxed until the contracts are renegotiated, renewed,
13 or extended, or until after December 31, 1998,
14 whichever is earlier. For the purposes of this
15 paragraph, "employee benefit plan" means any plan as
16 defined in section 1002(3) of title 29 of the United
17 States Code, as amended;

- 18 (6) Amounts received for purchases made with United States
19 Department of Agriculture food coupons under the
20 federal food stamp program, and amounts received for
21 purchases made with United States Department of
22 Agriculture food vouchers under the Special



1 Supplemental Foods Program for Women, Infants and
2 Children;

3 (7) Amounts received by a hospital, infirmary, medical
4 clinic, health care facility, pharmacy, or a
5 practitioner licensed to administer the drug to an
6 individual for selling prescription drugs or
7 prosthetic devices to an individual; provided that
8 this paragraph shall not apply to any amounts received
9 for services provided in selling prescription drugs or
10 prosthetic devices. As used in this paragraph:

11 "Prescription drugs" are those drugs defined
12 under section 328-1 and dispensed by filling or
13 refilling a written or oral prescription by a
14 practitioner licensed under law to administer the drug
15 and sold by a licensed pharmacist under section 328-16
16 or practitioners licensed to administer drugs; and

17 "Prosthetic device" means any artificial device
18 or appliance, instrument, apparatus, or contrivance,
19 including their components, parts, accessories, and
20 replacements thereof, used to replace a missing or
21 surgically removed part of the human body, which is
22 prescribed by a licensed practitioner of medicine,



1 osteopathy, or podiatry and which is sold by the
 2 practitioner or which is dispensed and sold by a
 3 dealer of prosthetic devices; provided that
 4 "prosthetic device" shall not mean any auditory,
 5 ophthalmic, dental, or ocular device or appliance,
 6 instrument, apparatus, or contrivance;

7 (8) Taxes on transient accommodations imposed by chapter
 8 237D and passed on and collected by operators holding
 9 certificates of registration under that chapter;

10 (9) Amounts received as dues by an unincorporated
 11 merchants association from its membership for
 12 advertising media, promotional, and advertising costs
 13 for the promotion of the association for the benefit
 14 of its members as a whole and not for the benefit of
 15 an individual member or group of members less than the
 16 entire membership;

17 (10) Amounts received by a labor organization for real
 18 property leased to:

19 (A) A labor organization; or

20 (B) A trust fund established by a labor organization
 21 for the benefit of its members, families, and
 22 dependents for medical or hospital care, pensions



1 on retirement or death of employees,
2 apprenticeship and training, and other membership
3 service programs.

4 As used in this paragraph, "labor organization" means
5 a labor organization exempt from federal income tax
6 under section 501(c)(5) of the Internal Revenue Code,
7 as amended;

8 (11) Amounts received from foreign diplomats and consular
9 officials who are holding cards issued or authorized
10 by the United States Department of State granting them
11 an exemption from state taxes; ~~and~~

12 (12) Amounts received as rent for the rental or leasing of
13 aircraft or aircraft engines used by the lessees or
14 renters for interstate air transportation of
15 passengers and goods. For purposes of this paragraph,
16 payments made pursuant to a lease shall be considered
17 rent regardless of whether the lease is an operating
18 lease or a financing lease. The definition of
19 "interstate air transportation" is the same as in 49
20 U.S.C. 40102[-]; and

21 (13) The commission earned by a manufacturer's
22 representative on the direct purchase of imported



1 tangible personal property from a manufacturer by a
2 customer."

3 SECTION 3. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 4. This Act shall take effect upon its approval
6 and shall apply to taxable years beginning after December 31,
7 2007; provided that the amendment made to section 237-24.3,
8 Hawaii Revised Statutes, by this Act shall not be repealed when
9 that section is reenacted on December 31, 2009, pursuant to Act
10 239, Session Laws of Hawaii 2007.

11

INTRODUCED BY: *Carol Foltz*



Report Title:

General Excise Tax; Manufacturer's Representative

Description:

Exempts from the general excise tax, commissions earned by a manufacturer's representative for the direct purchase of imported tangible personal property from the manufacturer by a customer.

