

JAN 23 2008

A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that an exemption from
2 general excise taxes for certain basic necessities and services
3 would help to alleviate any potential economic recession in the
4 United States that would subsequently lead to a reduction in
5 employment rates and personal income in Hawaii.

6 The purpose of this Act is to ease the general excise tax
7 burden for the citizens and visitors of Hawaii by exempting from
8 general excise taxes all sales and gross proceeds derived from
9 certain basic necessities and services.

10 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
11 amended by adding a new section to be appropriately designated
12 and to read as follows:

13 "§237- Exemption of certain basic necessities and
14 services; definitions. (a) Any provision of law to the
15 contrary notwithstanding, there shall be exempted from, and
16 excluded from the measures of, the tax imposed by this chapter



1 all sales, and the gross proceeds of all sales, of the following
2 basic necessities and services:

- 3 (1) Food;
- 4 (2) Residential home;
- 5 (3) Medicine;
- 6 (4) Medical services;
- 7 (5) Dental services; and
- 8 (6) Legal services.

9 (b) As used in this section, the following terms shall
10 have the following meanings:

11 "Food" means articles, or ingredients thereof, that are
12 consumed by humans, dogs, or cats;

13 "Medical services" means every type of care, treatment,
14 surgery, hospitalization, attendance, service, and supplies
15 rendered or furnished by a licensed or certified physician,
16 dispensing optician, physical therapist, nurse, or massage
17 therapist; and

18 "Residential home" means a parcel of land, two acres or
19 less in size, zoned for residential use, that is purchased or
20 leased by an individual or family and is used or occupied or is
21 developed, devoted, intended, or permitted to be used or




1 occupied by that individual or family as their principal place
2 of residence."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act shall take effect on July 1, 2008.

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INTRODUCED BY:


By Request



Report Title:

General Excise Tax; Exemption; Basic Necessities and Services

Description:

Provides an exemption from general excise tax for basic necessities and services such as food, medicine, residential homes, medical services, dental services, and legal services.

