

---

---

## A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAXES.

**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 for food and medical services. (a)

5 There shall be exempted from, and excluded from the measure of,  
6 the taxes imposed by this chapter all of the gross proceeds  
7 arising from the sale of food and medical services.

8           (b) For the purposes of this section:

9           "Food" means:

10          (1) Any food or food product for home consumption  
11             purchased at a grocery store, market, or open market;

12          (2) Seeds and plants for use in gardens to produce food  
13             for the personal consumption of the eligible  
14             household;

15          (3) In the case of those persons who are sixty years of  
16             age or over or who receive supplemental security  
17             income benefits or disability or blindness payments  
18             under Title I, II, X, XIV, or XVI of the Social



1           Security Act (42 U.S.C. 301 et seq., 401 et seq., 1201  
2           et seq., 1351 et seq., 1381 et seq.) and their  
3           spouses, meals prepared by and served in senior  
4           citizens' centers, apartment buildings occupied  
5           primarily by such persons, public or private nonprofit  
6           establishments (eating or otherwise) that feed  
7           persons, private establishments that contract with the  
8           appropriate agency of the State to offer meals for  
9           persons at concessional prices, and meals prepared for  
10           and served to residents of federally subsidized  
11           housing for the elderly;

12        (4) In the case of persons sixty years of age or over and  
13        persons who are physically or mentally handicapped or  
14        otherwise so disabled that they are unable to  
15        adequately prepare all of their meals, meals prepared  
16        for and delivered to them (and their spouses) at their  
17        home by a public or private nonprofit organization or  
18        by a private establishment that contracts with the  
19        appropriate state agency to perform such services at  
20        concessional prices;

21        (5) In the case of disabled or blind recipients of  
22        benefits under Title I, II, X, XIV, or XVI of the



1 Social Security Act (42 U.S.C. 301 et seq., 401 et  
2 seq., 1201 et seq., 1351 et seq., 1381 et seq.), who  
3 are residents in a public or private nonprofit group  
4 living arrangement that serves no more than sixteen  
5 residents and is certified by the appropriate state  
6 agency or agencies, meals prepared and served under  
7 such arrangement;

8 (6) In the case of women and children temporarily residing  
9 in public or private nonprofit shelters for battered  
10 women and children, meals prepared and served by such  
11 shelters; and

12 (7) In the case of households that do not reside in  
13 permanent dwellings and households that have no fixed  
14 mailing addresses, meals prepared for and served by a  
15 public or private nonprofit establishment approved by  
16 an appropriate state or local agency that feeds such  
17 individuals and by private establishments that  
18 contract with the appropriate agency of the State to  
19 offer meals for such individuals at concessional  
20 prices;

21 Provided that "food" does not include alcoholic beverages  
22 and tobacco, or hot food products ready for immediate



1 consumption except for such products for individual households  
2 listed in paragraphs (3) to (7).

3 "Medical services" means:

4 (1) Professional services provided by hospitals and  
5 medical clinics and facilities that are licensed by  
6 the appropriate state agencies, and services rendered  
7 under chapters 436E, 442, 447, 448, 448B, 451A, 451J,  
8 452, 453, 453D, 455, 457, 457A, 457G, 458, 459, 461,  
9 461J, 463E, 465, 466J, and 468E; and

10 (2) Over-the-counter or prescription drugs not already  
11 exempt from taxation under this chapter by section  
12 237-24.3(7)."

13 SECTION 2. This Act shall not apply to foods purchased in  
14 restaurants or via restaurant delivery services other than those  
15 services specified in section 1 of this Act.

16 SECTION 3. New statutory material is underscored.

17 SECTION 4. This Act shall take effect upon its approval  
18 and apply to taxable years beginning after December 31, 2009.

19

INTRODUCED BY: *Ray Hanahan*  
*Mele Carroll*



**Report Title:**

Food and Medical Products; Tax Exemption

**Description:**

Provides an exemption from general excise taxes on certain food and medical products.

