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## A BILL FOR AN ACT

RELATING TO THE 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-       Annual one-day exemption; retail clothing and  
5 accessory sales. (a) Section 237-13 notwithstanding, retail  
6 sales of clothing and accessories shall be exempt from the tax  
7 under this chapter if:

- 8           (1) The sale is made between 12:01 a.m. and midnight of  
9           the first Saturday occurring at least twenty-one days  
10           before the first day of school for students under the  
11           official school calendar adopted pursuant to Act 51,  
12           Session Laws of Hawaii 2004;
- 13           (2) The sale and delivery of the tangible personal  
14           property occurs within the state;
- 15           (3) The retail price of the tangible personal property  
16           sold is less than \$100; and
- 17           (4) The savings from the exemption under this section is  
18           passed on by the seller to the purchaser.



1        (b) The exemption under this section shall not apply to:

2        (1) The renting of tangible personal property;

3        (2) The sale of services; or

4        (3) The sale of items of tangible personal property that  
5        are normally sold as a unit, which have been priced  
6        separately and sold individually to obtain the  
7        exemption under this section.

8        (c) For the purposes of this section:

9        "Accessories" means jewelry, handbags, luggage, umbrellas,  
10       wallets, watches, and similar items carried on or about the  
11       human body in a manner characteristic of clothing, without  
12       regard to whether worn on the body.

13       "Clothing" means garments or apparel designed to be worn on  
14       or about the human body, but does not include footwear."

15       SECTION 2. New statutory material is underscored.

16       SECTION 3. This Act shall take effect on July 1, 2009, and  
17       shall be repealed on July 1, 2012.

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INTRODUCED BY:

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HB HMS 2009-1431



JAN 28 2009

**Report Title:**

General Excise Tax Holiday; Clothing and Accessories

**Description:**

Exempts sales of clothing and accessories from the general excise tax on the first Saturday occurring three weeks before the first day of public school.

