
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 **PART I**

2 SECTION 1. Section 235-7, Hawaii Revised Statutes, is
3 amended to read as follows:

4 "§235-7 Other provisions as to gross income, adjusted
5 gross income, and taxable income. (a) There shall be excluded
6 from gross income, adjusted gross income, and taxable income:

7 (1) Income not subject to taxation by the State under the
8 Constitution and laws of the United States;

9 (2) Rights, benefits, and other income exempted from
10 taxation by section 88-91, having to do with the state
11 retirement system, and the rights, benefits, and other
12 income, comparable to the rights, benefits, and other
13 income exempted by section 88-91, under any other
14 public retirement system;

15 (3) Any compensation received in the form of a pension for
16 past services;

17 (4) Compensation paid to a patient affected with Hansen's
18 disease employed by the State or the United States in



- 1 any hospital, settlement, or place for the treatment
2 of Hansen's disease;
- 3 (5) Except as otherwise expressly provided, payments made
4 by the United States or this State, under an act of
5 Congress or a law of this State, which by express
6 provision or administrative regulation or
7 interpretation are exempt from both the normal and
8 surtaxes of the United States, even though not so
9 exempted by the Internal Revenue Code itself;
- 10 (6) Any income expressly exempted or excluded from the
11 measure of the tax imposed by this chapter by any
12 other law of the State, it being the intent of this
13 chapter not to repeal or supersede any express
14 exemption or exclusion;
- 15 (7) Income received by each member of the reserve
16 components of the Army, Navy, Air Force, Marine Corps,
17 or Coast Guard of the United States of America, and
18 the Hawaii national guard as compensation for
19 performance of duty, equivalent to pay received for
20 forty-eight drills (equivalent of twelve weekends) and
21 fifteen days of annual duty, at an:



- 1 (A) E-1 pay grade after eight years of service;
2 provided that this subparagraph shall apply to
3 taxable years beginning after December 31, 2004;
- 4 (B) E-2 pay grade after eight years of service;
5 provided that this subparagraph shall apply to
6 taxable years beginning after December 31, 2005;
- 7 (C) E-3 pay grade after eight years of service;
8 provided that this subparagraph shall apply to
9 taxable years beginning after December 31, 2006;
- 10 (D) E-4 pay grade after eight years of service;
11 provided that this subparagraph shall apply to
12 taxable years beginning after December 31, 2007;
13 and
- 14 (E) E-5 pay grade after eight years of service;
15 provided that this subparagraph shall apply to
16 taxable years beginning after December 31, 2008;
- 17 (8) Income derived from the operation of ships or aircraft
18 if the income is exempt under the Internal Revenue
19 Code pursuant to the provisions of an income tax
20 treaty or agreement entered into by and between the
21 United States and a foreign country; provided that the
22 tax laws of the local governments of that country



- 1 reciprocally exempt from the application of all of
2 their net income taxes, the income derived from the
3 operation of ships or aircraft that are documented or
4 registered under the laws of the United States;
- 5 (9) The value of legal services provided by a prepaid
6 legal service plan to a taxpayer, the taxpayer's
7 spouse, and the taxpayer's dependents;
- 8 (10) Amounts paid, directly or indirectly, by a prepaid
9 legal service plan to a taxpayer as payment or
10 reimbursement for the provision of legal services to
11 the taxpayer, the taxpayer's spouse, and the
12 taxpayer's dependents;
- 13 (11) Contributions by an employer to a prepaid legal
14 service plan for compensation (through insurance or
15 otherwise) to the employer's employees for the costs
16 of legal services incurred by the employer's
17 employees, their spouses, and their dependents;
- 18 (12) Amounts received in the form of a monthly surcharge by
19 a utility acting on behalf of an affected utility
20 under section 269-16.3 shall not be gross income,
21 adjusted gross income, or taxable income for the
22 acting utility under this chapter. Any amounts



1 retained by the acting utility for collection or other
2 costs shall not be included in this exemption; and
3 (13) One hundred per cent of the gain realized by a fee
4 simple owner from the sale of a leased fee interest in
5 units within a condominium project, cooperative
6 project, or planned unit development to the
7 association of owners under chapter 514A or 514B, or
8 the residential cooperative corporation of the
9 leasehold units.

10 For purposes of this paragraph:

11 "Fee simple owner" shall have the same meaning as
12 provided under section 516-1; provided that it shall
13 include legal and equitable owners;

14 "Legal and equitable owner", and "leased fee
15 interest" shall have the same meanings as provided
16 under section 516-1; and

17 "Condominium project" and "cooperative project"
18 shall have the same meanings as provided under section
19 514C-1.

20 (b) There shall be included in gross income, adjusted
21 gross income, and taxable income: (1) unless excluded by this
22 chapter relating to the uniformed services of the United States,



1 cost-of-living allowances and other payments exempted by section
2 912 of the Internal Revenue Code, but section 119 of the
3 Internal Revenue Code nevertheless shall apply; (2) unless
4 expressly exempted or excluded as provided by subsection (a)(6),
5 interest on the obligations of a State or a political
6 subdivision thereof.

7 (c) The deductions of or based on dividends paid or
8 received, allowed to a corporation under chapter 1, subchapter
9 B, Part VIII of the Internal Revenue Code, shall not be allowed.
10 In lieu thereof there shall be allowed as a deduction the entire
11 amount of dividends received by any corporation upon the shares
12 of stock of a national banking association, qualifying
13 dividends, as defined in section 243(b) of the Internal Revenue
14 Code, received by members of an affiliated group, or dividends
15 received by a small business investment company operating under
16 the Small Business Investment Act of 1958 (Public Law 85-699)
17 upon shares of stock qualifying under paragraph (3), seventy per
18 cent of the amount received by any corporation as dividends:

19 (1) Upon the shares of stock of another corporation, if at
20 the date of payment of the dividend at least ninety-
21 five per cent of the other corporation's capital stock
22 is owned by one or more corporations doing business in



1 this State and if the other corporation is subjected
2 to an income tax in another jurisdiction (but
3 subjection to federal tax does not constitute
4 subjection to income tax in another jurisdiction);

5 (2) Upon the shares of stock of a bank or insurance
6 company organized and doing business under the laws of
7 the State;

8 (3) Upon the shares of stock of another corporation, if at
9 least fifteen per cent of the latter corporation's
10 business, for the taxable year of the latter
11 corporation preceding the payment of the dividend, has
12 been attributed to this State.

13 However, except for national bank dividends, the deductions
14 under this subsection are not allowed when they would not have
15 been allowed under section 243 of the Internal Revenue Code, as
16 amended by Public Law 85-866, by reason of subsections (b) and
17 (c) of section 246 of the Internal Revenue Code. For the
18 purposes of this subsection fifteen per cent of a corporation's
19 business shall be deemed to have been attributed to this State
20 if fifteen per cent or more of the entire gross income of the
21 corporation as defined in this chapter (which for the purposes
22 of this subsection shall be computed without regard to source in



1 the State and shall include income not taxable by reason of the
2 fact that it is from property not owned in the State or from a
3 trade or business not carried on in the State in whole or in
4 part), under section 235-5 and the other provisions of this
5 chapter, shall have been attributed to the State and subjected
6 to assessment of the taxable income therefrom (including the
7 determination of the resulting net loss, if any).

8 (d) (1) For taxable years ending before January 1, 1967,
9 the net operating loss deductions allowed as
10 carrybacks and carryovers by the Internal Revenue Code
11 shall not be allowed. In lieu thereof the net
12 operating loss deduction shall consist of the excess
13 of the deductions allowed by this chapter over the
14 gross income, computed with the modifications
15 specified in paragraphs (1) to (4) of section 172(d)
16 of the Internal Revenue Code, and with the further
17 modification stated in paragraph (3) hereof; and shall
18 be allowed as a deduction in computing the taxable
19 income of the taxpayer for the succeeding taxable
20 year;

21 (2) (A) With respect to net operating loss deductions
22 resulting from net operating losses for taxable



1 years ending after December 31, 1966, the net
2 operating loss deduction provisions of the
3 Internal Revenue Code shall apply; provided that
4 there shall be no net operating loss deduction
5 carried back to any taxable year ending prior to
6 January 1, 1967;

7 (B) In the case of a taxable year beginning in 1966
8 and ending in 1967, the entire amount of all net
9 operating loss deductions carried back to the
10 taxable year shall be limited to that portion of
11 taxable income for such taxable year which the
12 number of days in 1967 bears to the total days in
13 the taxable year ending in 1967; and

14 (C) The computation of any net operating loss
15 deduction for a taxable year covered by this
16 subsection shall require the further
17 modifications stated in paragraphs (3), (4), and
18 (5) of this subsection;

19 (3) In computing the net operating loss deduction allowed
20 by this subsection, there shall be included in gross
21 income the amount of interest which is excluded from
22 gross income by subsection (a), decreased by the



1 amount of interest paid or accrued which is disallowed
2 as a deduction by subsection (e). In determining the
3 amount of the net operating loss deduction under this
4 subsection of any corporation, there shall be
5 disregarded the net operating loss of such corporation
6 for any taxable year for which the corporation is an
7 electing small business corporation;

8 (4) No net operating loss carryback or carryover shall be
9 allowed by this chapter if not allowed under section
10 172 of the Internal Revenue Code;

11 (5) The election to relinquish the entire carryback period
12 with respect to a net operating loss allowed under
13 section 172(b)(3)(C) of the Internal Revenue Code
14 shall be operative for the purposes of this chapter;
15 provided that no taxpayer shall make such an election
16 as to a net operating loss of a business where such
17 net operating loss occurred in the taxpayer's business
18 prior to the taxpayer entering business in this State;
19 and

20 (6) The five-year carryback period for net operating
21 losses for any taxable year ending during 2001 and
22 2002 in section 172(b)(1)(H) of the Internal Revenue



1 Code shall not be operative for purposes of this
2 chapter.

3 (e) There shall be disallowed as a deduction the amount of
4 interest paid or accrued within the taxable year on indebtedness
5 incurred or continued, (1) to purchase or carry bonds the
6 interest upon which is excluded from gross income by subsection
7 (a); or (2) to purchase or carry property owned without the
8 State, or to carry on trade or business without the State, if
9 the taxpayer is a person taxable only upon income from sources
10 in the State.

11 (f) Losses of property as the result of tidal wave,
12 hurricane, earthquake, or volcanic eruption, or as a result of
13 flood waters overflowing the banks or walls of a river or
14 stream, or from any other natural disaster, to the extent of the
15 amount deductible, under this chapter, not compensated for by
16 insurance or otherwise, may be deducted in the taxable year in
17 which sustained, or at the option of the taxpayer may be
18 deducted in equal installments over a period of five years, the
19 first such year to be the calendar year or fiscal year of the
20 taxpayer in which such loss occurred.

21 ~~[(g) In computing taxable income there shall be allowed as~~
22 ~~a deduction:~~



- 1 (1) An excise tax equal to 5.00 cents for each cigarette
2 sold, used, or possessed by a wholesaler or dealer
3 after June 30, 1998, whether or not sold at wholesale,
4 or if not sold then at the same rate upon the use by
5 the wholesaler or dealer;
- 6 (2) An excise tax equal to 6.00 cents for each cigarette
7 sold, used, or possessed by a wholesaler or dealer
8 after September 30, 2002, whether or not sold at
9 wholesale, or if not sold then at the same rate upon
10 the use by the wholesaler or dealer;
- 11 (3) An excise tax equal to 6.50 cents for each cigarette
12 sold, used, or possessed by a wholesaler or dealer
13 after June 30, 2003, whether or not sold at wholesale,
14 or if not sold then at the same rate upon the use by
15 the wholesaler or dealer;
- 16 (4) An excise tax equal to 7.00 cents for each cigarette
17 sold, used, or possessed by a wholesaler or dealer
18 after June 30, 2004, whether or not sold at wholesale,
19 or if not sold then at the same rate upon the use by
20 the wholesaler or dealer;
- 21 (5) An excise tax equal to 8.00 cents for each cigarette
22 sold, used, or possessed by a wholesaler or dealer on



1 and after September 30, 2006, whether or not sold at
2 wholesale, or if not sold then at the same rate upon
3 the use by the wholesaler or dealer;

4 (6) An excise tax equal to 9.00 cents for each cigarette
5 sold, used, or possessed by a wholesaler or dealer on
6 and after September 30, 2007, whether or not sold at
7 wholesale, or if not sold then at the same rate upon
8 the use by the wholesaler or dealer;

9 (7) An excise tax equal to 10.00 cents for each cigarette
10 sold, used, or possessed by a wholesaler or dealer on
11 and after September 30, 2008, whether or not sold at
12 wholesale, or if not sold then at the same rate upon
13 the use by the wholesaler or dealer;

14 (8) An excise tax equal to 13.00 cents for each cigarette
15 sold, used, or possessed by a wholesaler or dealer on
16 and after July 1, 2009, whether or not sold at
17 wholesale, or if not sold then at the same rate upon
18 the use by the wholesaler or dealer;

19 (9) An excise tax equal to 11.00 cents for each little
20 cigar sold, used, or possessed by a wholesaler or
21 dealer on and after October 1, 2009, whether or not



- 1 sold at wholesale, or if not sold then at the same
2 rate upon the use by the wholesaler or dealer;
- 3 (10) An excise tax equal to [~~14.00~~] 15.00 cents for each
4 cigarette or little cigar sold, used, or possessed by
5 a wholesaler or dealer on and after July 1, 2010,
6 whether or not sold at wholesale, or if not sold then
7 at the same rate upon the use by the wholesaler or
8 dealer;
- 9 (11) An excise tax equal to [~~15.00~~] 16.00 cents for each
10 cigarette or little cigar sold, used, or possessed by
11 a wholesaler or dealer on and after July 1, 2011,
12 whether or not sold at wholesale, or if not sold then
13 at the same rate upon the use by the wholesaler or
14 dealer;
- 15 (12) Except as provided in paragraph (13), an excise tax
16 equal to seventy per cent of the wholesale price of
17 each article or item of tobacco products sold by the
18 wholesaler or dealer on and after September 30, 2009,
19 whether or not sold at wholesale, or if not sold then
20 at the same rate upon the use by the wholesaler or
21 dealer; and



1 (13) An excise tax equal to fifty per cent of the wholesale
 2 price of each cigar with a ring gauge of thirty or
 3 more (.467 inches in diameter or more), of any length,
 4 sold, used, or possessed by a wholesaler or dealer on
 5 and after September 30, 2009, whether or not sold at
 6 wholesale, or if not sold then at the same rate upon
 7 the use by the wholesaler or dealer.

8 Where the tax imposed has been paid on cigarettes, little
 9 cigars, or tobacco products that thereafter become the subject
 10 of a casualty loss deduction allowable under chapter 235, the
 11 tax paid shall be refunded or credited to the account of the
 12 wholesaler or dealer. The tax shall be applied to cigarettes
 13 through the use of stamps."

14 **PART III**

15 SECTION 3. Section 431:7-101, Hawaii Revised Statutes, is
 16 amended as follows:

17 1. By amending subsections (a) and (b) to read:

18 "(a) The commissioner shall collect in advance the
 19 following fees:

20 (1) Certificate of authority: Issuance.....[~~\$900~~] \$1,800

21 (2) Organization of domestic insurers and affiliated
 22 corporations:



1	(A)	Application and all other papers required for		
2		issuance of solicitation permit,		
3		filing.....	[\$1,500]	<u>\$3,000</u>
4	(B)	Issuance of solicitation permit.....	[\$150]	<u>\$ 300</u>
5	(3)	Producer's license:		
6	(A)	Issuance, regular license.....	[\$50]	<u>\$ 100</u>
7	(B)	Issuance, temporary license.....	[\$50]	<u>\$ 100</u>
8	(4)	Nonresident producer's license:		
9		Issuance.....	[\$75]	<u>\$ 150</u>
10	(5)	Independent adjuster's license: Issuance.	[\$75]	<u>\$ 150</u>
11	(6)	Public adjuster's license: Issuance.....	[\$75]	<u>\$ 150</u>
12	(7)	Workers' compensation claim adjuster's limited		
13		license: Issuance.....	[\$75]	<u>\$ 150</u>
14	(8)	Independent bill reviewer's license:		
15		Issuance.....	[\$80]	<u>\$ 160</u>
16	(9)	Limited producer's license: Issuance.....	[\$60]	<u>\$ 120</u>
17	(10)	Managing general agent's license:		
18		Issuance.....	[75]	<u>\$ 150</u>
19	(11)	Reinsurance intermediary's license:		
20		Issuance.....	[\$75]	<u>\$ 150</u>
21	(12)	Surplus lines broker's license:		
22		Issuance.....	[\$150]	<u>\$ 300</u>



- 1 (13) Service contract provider's registration:
- 2 Issuance.....[\$75] \$ 150
- 3 (14) Approved course provider certificate:
- 4 Issuance.....[\$100] \$ 200
- 5 (15) Approved continuing education course certificate:
- 6 Issuance.....[\$30] \$ 60
- 7 (16) Vehicle protection product warrantor's registration:
- 8 Issuance.....[\$75] \$ 150
- 9 (17) Criminal history record check; fingerprinting: For
- 10 each criminal history record check and fingerprinting
- 11 check, a fee to be established by the commissioner.
- 12 (18) Limited line motor vehicle rental company producer's
- 13 license: Issuance.....[\$1,000] \$ 2,000
- 14 (19) Life settlement contract provider's license:
- 15 Issuance.....[\$75] \$ 150
- 16 (20) Life settlement contract broker's license:
- 17 Issuance.....[\$75] \$ 150
- 18 (21) Examination for license: For each examination, a fee
- 19 to be established by the commissioner.
- 20 (b) The fees for services of the department of commerce
- 21 and consumer affairs subsequent to the issuance of a certificate
- 22 of authority, license, or other certificate are as follows:



- 1 (1) [~~\$600~~] \$1,200 per year for all services (including
2 extension of the certificate of authority) for an
3 authorized insurer;
- 4 (2) [~~\$50~~] \$100 per year for all services (including
5 extension of the license) for a regularly licensed
6 producer;
- 7 (3) [~~\$75~~] \$150 per year for all services (including
8 extension of the license) for a regularly licensed
9 nonresident producer;
- 10 (4) [~~\$45~~] \$90 per year for all services (including
11 extension of the license) for a regularly licensed
12 independent adjuster;
- 13 (5) [~~\$45~~] \$90 per year for all services (including
14 extension of the license) for a regularly licensed
15 public adjuster;
- 16 (6) [~~\$45~~] \$90 per year for all services (including
17 extension of the license) for a workers' compensation
18 claims adjuster's limited license;
- 19 (7) [~~\$60~~] \$120 per year for all services (including
20 extension of the license) for a regularly licensed
21 independent bill reviewer;



- 1 (8) [~~\$45~~] \$90 per year for all services (including
2 extension of the license) for a producer's limited
3 license;
- 4 (9) [~~\$75~~] \$150 per year for all services (including
5 extension of the license) for a regularly licensed
6 managing general agent;
- 7 (10) [~~\$75~~] \$150 per year for all services (including
8 extension of the license) for a regularly licensed
9 reinsurance intermediary;
- 10 (11) [~~\$45~~] \$90 per year for all services (including
11 extension of the license) for a licensed surplus lines
12 broker;
- 13 (12) [~~\$75~~] \$150 per year for all services (including
14 renewal of registration) for a service contract
15 provider;
- 16 (13) [~~\$65~~] \$130 per year for all services (including
17 extension of the certificate) for an approved course
18 provider;
- 19 (14) [~~\$20~~] \$40 per year for all services (including
20 extension of the certificate) for an approved
21 continuing education course;



- 1 (15) [~~\$75~~] \$150 per year for all services (including
- 2 renewal of registration) for a vehicle protection
- 3 product warrantor;
- 4 (16) [~~\$20~~] \$40 for a criminal history record check;
- 5 (17) [~~\$600~~] \$1,200 per year for all services (including
- 6 extension of the license) for a regularly licensed
- 7 limited line motor vehicle rental company producer;
- 8 (18) [~~\$75~~] \$150 per year for all services (including
- 9 extension of the license) for a regularly licensed
- 10 life settlement contract provider; and
- 11 (19) [~~\$75~~] \$150 per year for all services (including
- 12 extension of the license) for a regularly licensed
- 13 life settlement contract broker.

14 The services referred to in paragraphs (1) to (19) shall
 15 not include services in connection with examinations,
 16 investigations, hearings, appeals, and deposits with a
 17 depository other than the department of commerce and consumer
 18 affairs."

19 2. By amending subsection (e) to read as follows:

20 "(e) All fees and penalties shall be deposited to the
 21 credit of the compliance resolution fund[-]; provided that
 22 beginning July 1, 2010, the statutory fees collected pursuant to



1 All premiums written, procured, or received in the State
2 shall be presumed to have been from risks or property resident,
3 situated, or located within the State. This presumption may be
4 rebutted as to any premium by:

5 (1) [~~By showing~~] Showing that it has been properly
6 allocated or apportioned and reported as a taxable
7 premium of another state or other appropriate taxing
8 authority; or

9 (2) [~~By facts~~] Facts as to the residence, situation, or
10 location of the risks or property, conclusively
11 showing the nontaxability of the premium.

12 (b) Each authorized insurer, with respect to life
13 insurance contracts[~~7~~] entered into before July 1, 2010, shall
14 pay to the director of finance through the commissioner a tax of
15 2.75 per cent on the gross premiums received from all risks
16 resident within this State, during the year ending on the
17 preceding December 31, less return premiums, dividends paid or
18 credited to policyholders, and reinsurance accepted (the tax
19 upon such business being payable by the direct writing insurer).

20 Each authorized insurer, with respect to life insurance
21 contracts entered into on or after July 1, 2010, shall pay to
22 the director of finance through the commissioner a tax of



1 per cent on the gross premiums received from all risks resident
2 within this State, during the year ending on the preceding
3 December 31, less return premiums, dividends paid or credited to
4 policyholders, and reinsurance accepted (the tax upon such
5 business being payable by the direct writing insurer).

6 The tax also shall apply to premiums for insurance written
7 on individuals residing outside the State unless the direct
8 writing insurer shall show the payment of a comparable tax to
9 another appropriate taxing authority. Such showing may be
10 required as to any premium written, procured, or received in the
11 State.

12 (c) Each authorized insurer shall, with respect to all
13 ocean marine insurance contracts written within the State,
14 during the year ending on the preceding December 31, pay to the
15 director of finance through the commissioner a tax of [~~-.8775~~]
16 _____ per cent on its gross underwriting profit. The gross
17 underwriting profit shall be ascertained by deducting from the
18 net premiums (i.e., gross premiums less all return premiums and
19 premiums for reinsurance ceded) on such ocean marine insurance
20 contracts, the net losses paid (i.e., gross losses paid less
21 salvage and recoveries on reinsurance ceded) during such year
22 under such contracts. In the case of an insurer issuing



1 participating contracts, the gross underwriting profit shall not
2 include, for computation of the tax prescribed by this
3 subsection, the amount refunded, or paid as participation
4 dividends, by such insurer to the holders of such contracts.

5 (d) Each authorized insurer, with respect to real property
6 title insurance contracts written on real property situated
7 within this State during the year ending on the preceding
8 December 31, shall pay to the director of finance through the
9 commissioner a tax of [~~4.265~~] _____ per cent of the amount of
10 the risk premium actually received by the authorized insurer for
11 the provision of such insurance. The amount of the risk premium
12 received by the authorized insurer for the provision of real
13 property title insurance shall be an amount equal to the amount
14 actually received by the authorized insurer solely for the
15 provision of real property title insurance coverage in
16 accordance with the underwriting agreement or contract between
17 the authorized insurer and the underwritten title company."

18 SECTION 5. Section 431:8-205, Hawaii Revised Statutes, is
19 amended by amending subsection (c) to read as follows:

20 "(c) Gross premiums charged for the insurance, less any
21 return premiums, are subject to a tax at the rate of [~~4.68~~]
22 _____ per cent. At the time of filing the report required in



1 subsection (b), the insured shall pay the tax to the
2 commissioner.

3 As used in this subsection, "gross premiums" [~~mean~~] means
4 the amount of the policy or coverage premium charged by the
5 insurer in consideration for the insurance contract. Any
6 charges for policy, survey, inspection, service, or similar fees
7 or other charges added by the broker shall not be considered
8 part of gross premiums."

9 SECTION 6. Section 431:8-315, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) On or before March 15 of each year, each surplus
12 lines broker shall pay to the director of finance, through the
13 commissioner, a premium tax on surplus lines insurance
14 transacted by the broker during the preceding calendar year.
15 The tax shall be in the amount of [~~4.68~~] _____ per cent of gross
16 premiums, less return premiums, on taxable surplus lines
17 insurance.

18 As used in this subsection, "gross premiums" [~~mean~~] means
19 the amount of the policy or coverage premium charged by the
20 insurer in consideration for the insurance contract. Any
21 charges for policy, survey, inspection, service, or similar fees



1 or other charges added by the broker shall not be considered
2 part of gross premiums."

3 SECTION 7. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 8. This Act shall take effect upon its approval;
6 provided that:

7 (1) Part I shall apply to taxable years beginning after
8 December 31, 2009;

9 (2) Part II shall be effective on July 1, 2010;

10 (3) The amendments made to section 431:7-101, Hawaii
11 Revised Statutes, under section 3 of this Act shall
12 not be repealed when that section is reenacted on
13 June 16, 2010, pursuant to Act 11, Session Laws of
14 Hawaii 2009; and

15 (4) Part IV shall take effect on July 1, 2010, and shall
16 be repealed on June 30, 2015, provided that sections
17 431:7-202(a) through (d), 431:8-205(c), and
18 431:8-315(a), Hawaii Revised Statutes, shall be
19 reenacted in the form in which they read on June 30,
20 2010.

21



Report Title:

Taxation; Political Contribution; Insurance Fees and Premiums

Description:

Repeals the deduction from taxable income for amounts given as political contributions; increases the tax on cigarettes and little cigars by one cent for sales on or after July 1, 2010; increases insurance producer license fees and specifies that the fees be deposited equally into the compliance resolution fund and the general fund as an insurance license and service tax; and temporarily increases certain insurance premium tax rates.
(SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent

