
A BILL FOR AN ACT

RELATING TO EXCISE TAXES.

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

1 SECTION 1. Chapter 201, Hawaii Revised Statutes, is
2 amended by adding a new section to part I to be appropriately
3 designated and to read as follows:

4 "§201- Green technology manufacturing equipment. The
5 director of business, economic development, and tourism shall
6 develop standards for the certification of green technology
7 manufacturing equipment offered for sale in the State and shall
8 certify any equipment offered for sale by a commercial seller
9 that meets or exceeds those standards.

10 (b) A commercial seller who sells equipment that is
11 certified by the director of business, economic development, and
12 tourism shall present proof of the certification to the director
13 of taxation in order to qualify the amount realized under the
14 sale of the equipment for the general excise tax exemption under
15 section 237-24.3(13)."

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



1 "§237-24.3 Additional amounts not taxable. In addition to
2 the amounts not taxable under section 237-24, this chapter shall
3 not apply to:

4 (1) Amounts received from the loading, transportation, and
5 unloading of agricultural commodities shipped for a
6 producer or produce dealer on one island of this State
7 to a person, firm, or organization on another island
8 of this State. The terms "agricultural commodity",
9 "producer", and "produce dealer" shall be defined in
10 the same manner as they are defined in section 147-1;
11 provided that agricultural commodities need not have
12 been produced in the State;

13 (2) Amounts received from sales of:

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

16 (B) Cigarettes and tobacco products as defined in
17 chapter 245; and

18 (C) Agricultural, meat, or fish products;
19 to any person or common carrier in interstate or
20 foreign commerce, or both, whether ocean-going or air,
21 for consumption out-of-state on the shipper's vessels
22 or airplanes;



1 (3) Amounts received by the manager, submanager, or board
2 of directors of:

3 (A) An association of owners of a condominium
4 property regime established in accordance with
5 chapter 514A or 514B; or

6 (B) A nonprofit homeowners or community association
7 incorporated in accordance with chapter 414D or
8 any predecessor thereto and existing pursuant to
9 covenants running with the land,

10 in reimbursement of sums paid for common expenses;

11 (4) Amounts received or accrued from:

12 (A) The loading or unloading of cargo from ships,
13 barges, vessels, or aircraft, whether or not the
14 ships, barges, vessels, or aircraft travel
15 between the State and other states or countries
16 or between the islands of the State;

17 (B) Tugboat services including pilotage fees
18 performed within the State, and the towage of
19 ships, barges, or vessels in and out of state
20 harbors, or from one pier to another; and

21 (C) The transportation of pilots or governmental
22 officials to ships, barges, or vessels offshore;



1 rigging gear; checking freight and similar
2 services; standby charges; and use of moorings
3 and running mooring lines;

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



1 (6) Amounts received for purchases made with United States
2 Department of Agriculture food coupons under the
3 federal food stamp program, and amounts received for
4 purchases made with United States Department of
5 Agriculture food vouchers under the Special
6 Supplemental Foods Program for Women, Infants and
7 Children;

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

16 "Prescription drugs" are those drugs defined
17 under section 328-1 and dispensed by filling or
18 refilling a written or oral prescription by a
19 practitioner licensed under law to administer the drug
20 and sold by a licensed pharmacist under section 328-16
21 or practitioners licensed to administer drugs; and



1 "Prosthetic device" means any artificial device
2 or appliance, instrument, apparatus, or contrivance,
3 including their components, parts, accessories, and
4 replacements thereof, used to replace a missing or
5 surgically removed part of the human body, which is
6 prescribed by a licensed practitioner of medicine,
7 osteopathy, or podiatry and which is sold by the
8 practitioner or which is dispensed and sold by a
9 dealer of prosthetic devices; provided that

10 "prosthetic device" shall not mean any auditory,
11 ophthalmic, dental, or ocular device or appliance,
12 instrument, apparatus, or contrivance;

13 (8) Taxes on transient accommodations imposed by chapter
14 237D and passed on and collected by operators holding
15 certificates of registration under that chapter;

16 (9) Amounts received as dues by an unincorporated
17 merchants association from its membership for
18 advertising media, promotional, and advertising costs
19 for the promotion of the association for the benefit
20 of its members as a whole and not for the benefit of
21 an individual member or group of members less than the
22 entire membership;



- 1 (10) Amounts received by a labor organization for real
- 2 property leased to:
- 3 (A) A labor organization; or
- 4 (B) A trust fund established by a labor organization
- 5 for the benefit of its members, families, and
- 6 dependents for medical or hospital care, pensions
- 7 on retirement or death of employees,
- 8 apprenticeship and training, and other membership
- 9 service programs.

10 As used in this paragraph, "labor organization" means

11 a labor organization exempt from federal income tax

12 under section 501(c)(5) of the Internal Revenue Code,

13 as amended;

- 14 (11) Amounts received from foreign diplomats and consular
- 15 officials who are holding cards issued or authorized
- 16 by the United States Department of State granting them
- 17 an exemption from state taxes; [~~and~~]

- 18 (12) Amounts received as rent for the rental or leasing of
- 19 aircraft or aircraft engines used by the lessees or
- 20 renters for interstate air transportation of
- 21 passengers and goods. For purposes of this paragraph,
- 22 payments made pursuant to a lease shall be considered



rent regardless of whether the lease is an operating lease or a financing lease. The definition of "interstate air transportation" is the same as in 49 U.S.C. 40102[-]; and

(13) Amounts received from sales of green technology manufacturing equipment that have been certified for the exemption by the director of business, economic development, and tourism."

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

SECTION 4. This Act shall take effect upon its approval; provided that the amendment to section 237-24.3, Hawaii Revised Statutes, under section 1 of this Act shall not be repealed when section 237-24.3, Hawaii Revised Statutes is reenacted on December 31, 2010.

INTRODUCED BY:

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JAN 26 2010



Report Title:

Excise Taxes; Exemptions

Description:

Exempts amounts received from sales of green technology manufacturing equipment from the general excise tax law.

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

