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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. The legislature finds that visitors to Hawaii  
2 for conventions, meetings, and incentive programs have decreased  
3 recently. In 2006, conventions, meetings, and incentive program  
4 visitor days decreased by 5.7 per cent from 2005.

5           The conventions, meetings, and incentive market is a highly  
6 competitive market with many destinations offering incentives to  
7 attract visitors for these events. Mexico, for example, offers  
8 international conventions, meetings, and incentive events an  
9 exemption from the sales tax for conventions, meetings, and  
10 incentive sales paid for from a foreign bank.

11           The legislature further finds that the conventions,  
12 meetings, and incentive market is a lucrative market with  
13 visitor spending of \$913,000,000 in 2006, with an average daily  
14 spending of \$210 per person, as compared to \$178 per person for  
15 other visitors, and that incentives are necessary to allow  
16 Hawaii's visitor industry to remain competitive in the world  
17 market.



1           The purpose of this Act is to provide an excise tax  
2 exemption for the provision of facilities and services for  
3 convention, meetings, and incentive events that are paid for by  
4 national and international organizations.

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

8           "§237-           Conventions, meetings, and incentives. (a)

9           This chapter shall not apply to amounts received from provision  
10 of facilities and services for conventions, meetings, and  
11 incentive programs that are paid from an account in a foreign  
12 bank, a federal financial institution whose operations are not  
13 conducted in this State, or an out-of-state bank chartered under  
14 the laws of any state other than Hawaii.

15           (b) As used in this section, "facilities and services"  
16 include:

- 17           (1) Meeting rooms;
- 18           (2) Exhibit areas;
- 19           (3) Airport or seaport transfers;
- 20           (4) Transportation between hotels and meeting places;



- 1        (5) Event services such as set-up, registration,
- 2        translators, audiovisual equipment, decorations,
- 3        security, and cleaning;
- 4        (6) Food and beverage services; and
- 5        (7) Services relating to the event up to two nights before
- 6        the event and two nights after the event."

7        SECTION 3. New statutory material is underscored.

8        SECTION 4. This Act shall take effect on July 1, 2009.

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INTRODUCED BY:

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**Report Title:**

General Excise Tax; Exemptions; Tourism

**Description:**

Provides a general excise tax exemption for amounts received for the provision of facilities and services for convention, meeting, and incentive program events that are paid for by national and international organizations.

