

JAN 26 2009

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Chapter 235, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§235- Tax holiday exemption. (a) In addition to any
5 other applicable exemption provided under this chapter, there
6 shall be exempted from the measure of taxes imposed by this
7 chapter all of the value or gross income derived by resident
8 individual taxpayers and businesses registered to do business in
9 this State, from all proceeds on the sale of goods and
10 certificates for service received on a state designated day at a
11 state designated facility.

12 (b) For the purposes of this section, "certificates for
13 service" means a certificate purchased during a designated tax
14 holiday sales events from a resident individual taxpayer or
15 business registered to do business in this State, whereby the
16 certificate can be redeemed for personal or professional
17 services. All certificates for service shall have an expiration



1 date of December 31, 2011, in order for the proceeds from the
2 certificate of service to be exempt from income under this
3 chapter.

4 (c) The State shall designate one day each month until
5 December 31, 2011, as a tax holiday sales event. The tax
6 holiday sales events shall be conducted at a designated state
7 facility, park, school, or other appropriate location that is
8 owned by the State.

9 (d) The resident individual taxpayers and businesses that
10 choose to participate in selling goods or certificates of
11 service at the tax holiday sales events shall pay an entry fee
12 of \$ _____ . The revenues generated from the entry fees
13 shall be used to support the administrative services associated
14 with the tax holiday sales events.

15 (e) The governor of the State of Hawaii shall designate
16 either a state department or non-profit organization to serve as
17 the statewide coordinator of the tax holiday sales events. The
18 designated state department or non-profit organization shall
19 have access to and use of designated state office space and
20 facilities to help carry out the purposes of this section.

21 (f) The State and any of its agencies or political
22 subdivisions shall not be liable for any injury or damages that



1 may potentially result to any non-profit or volunteer
2 organization, entity, or individual that assists the State in
3 administering, organizing, or managing a tax holiday sales
4 event.

5 (g) The director of taxation shall prepare any forms as
6 may be necessary to claim an exemption under this section. The
7 director may also require proof of the claim for an exemption
8 under this section and may adopt any rules that are necessary to
9 effectuate the purposes of this section pursuant to chapter 91."

10 SECTION 2. New statutory material is underscored.

11 SECTION 3. This Act shall take effect upon its approval;
12 provided that this Act shall be repealed on December 31, 2011.

13

INTRODUCED BY: *Theranne Chun Oalland*



Report Title:

Income Tax; Exemption; Tax Holiday; Designated Tax Free Day

Description:

Authorizes the State to designate one day per month through December 31, 2011, for residents of this State and businesses registered in Hawaii to sell goods and certificates for services without any income tax consequences.

