
A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

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

1 SECTION 1. The purpose of this Act is to completely exempt
2 from general excise taxes all income received by hospitals,
3 infirmaries, and sanitararia without exception.

4 SECTION 2. Section 237-23, Hawaii Revised Statutes, is
5 amended by amending subsections (b) and (c) to read as follows:

6 "(b) The exemptions enumerated in subsection (a)(3) to
7 [~~6~~] (5) shall apply only:

8 (1) To those persons who shall have registered with the
9 department of taxation by filing a written application
10 for registration in such form as the department shall
11 prescribe, shall have paid the registration fee of
12 \$20, and shall have had the exemption allowed by the
13 department or by a court or tribunal of competent
14 jurisdiction upon appeal from any assessment resulting
15 from disallowance of the exemption by the department;

16 (2) To activities from which no profit inures to the
17 benefit of any private stockholder or individual,



1 except for death or other benefits to the members of
2 fraternal societies; and

3 (3) To the fraternal, religious, charitable, scientific,
4 educational, communal, or social welfare activities of
5 such persons, [~~or to the activities of such hospitals,~~
6 ~~infirmaries, and sanitarium as such,~~] and not to any
7 activity the primary purpose of which is to produce
8 income even though the income is to be used for or in
9 furtherance of the exempt activities of such persons.

10 (c) To obtain allowance of an exemption:

11 (1) A person under subsection (a) (3) to [~~46~~] (5), who has
12 received or applied for recognition of tax exempt
13 status under section 501(c) (3), (4), (6), or (8) of
14 the Internal Revenue Code of 1986, as amended, or who
15 is a subordinate person of a person who has received a
16 group exemption letter under section 501(c) (3), (4),
17 (6), or (8) of the Internal Revenue Code of 1986, as
18 amended, shall register with the department by filing
19 a statement attaching a copy of the exemption or
20 application for recognition of exempt status and any
21 particular facts that the department may require; and



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1 (2) All other persons under subsection (a) (3) to ~~[(4)]~~ (5)
 2 shall file an application for exemption in the form of
 3 an affidavit or affidavits setting forth in general
 4 all facts affecting the right to the exemption and
 5 such particular facts as the department may require,
 6 to which shall be attached such records, papers, and
 7 other information as the department may prescribe."

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

10 SECTION 4. This Act shall take effect on July 1, 2011.

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INTRODUCED BY:

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Report Title:

General Excise Tax; Exemption For Activities Of Hospitals,
Infirmaries, and Sanitaria

Description:

Removes limitations on the general excise tax exemption provided
for hospitals, infirmaries, and sanitaria.

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