
A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAXATION.

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

1 SECTION 1. Chapter 237, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§237- Exemption; small business manufacturing. (a)

5 This chapter shall not apply to any qualified small business
6 engaged in the business of manufacturing. The gross proceeds of
7 sales of any product manufactured by any qualified small
8 business shall be exempt from the tax imposed by this chapter
9 for a maximum period of five years.

10 (b) For the purposes of this section:

11 "Manufacturing" means the producing, preparation,
12 propagation, or processing of a product either directly or
13 indirectly from substances of natural origin and does not
14 include packaging and labeling, or repackaging or relabeling of
15 the product unless packaging or labeling is completed by the
16 original manufacturers of the product.

17 "Qualified small business" means a small business that:



Report Title:

General Excise Tax Exemption; Small Business Manufacturing

Description:

Exempts for maximum of 5 years from the general excise tax the gross proceeds of any qualified small business manufacturer.

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