
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. The purpose of this Act is to establish a
2 general excise tax exemption for the gross income or gross
3 proceeds from the sale of local agricultural products.

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

7 "§237- Exemption for local agricultural product. (a)

8 For the purpose of this section, "local agricultural product"
9 means an agricultural product, as defined in section 237-5, that
10 is raised or produced exclusively in the State.

11 (b) There shall be exempted from the tax imposed by this
12 chapter the gross income or gross proceeds from the sale at
13 retail or wholesale of a local agricultural product that is
14 sold:

15 (1) In a natural or packaged state;

16 (2) Separately from any non-local agricultural product,
17 except for the packaging; and

18 (3) Without having been processed outside the State."



1 SECTION 3. New statutory material is underscored.

2 SECTION 4. This Act shall take effect on July 1, 2020.



Report Title:

Local Agricultural Product; General Excise Tax Exemption

Description:

Exempts the gross income or gross proceeds from the retail or wholesale sale of a local agricultural product from the general excise tax. Effective July 1, 2020. (HB286 HD1)

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