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# A BILL FOR AN ACT

RELATING TO ENTERPRISE ZONES.

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

1 SECTION 1. Section 209E-2, Hawaii Revised Statutes, is  
2 amended by amending the definition of "eligible business  
3 activity" to read as follows:

4 "Eligible business activity" means the:

- 5 (1) Manufacture of tangible personal property, the  
6 wholesale sale of tangible personal property as  
7 described in section 237-4, or a service business as  
8 defined in this section;
- 9 (2) Production of agricultural products where the business  
10 is a producer as defined in section 237-5, or the  
11 processing of agricultural products, all or some of  
12 which were grown within an enterprise zone;
- 13 (3) Research, development, sale, or production of all  
14 types of genetically-engineered medical, agricultural,  
15 or maritime biotechnology products; [e~~r~~]
- 16 (4) Production of electric power from [~~wind~~] renewable  
17 energy as defined in section 269-91, for sale



1 primarily to a public utility company for resale to  
2 the public[-]; or  
3 (5) Ownership, control, operation, or management of any  
4 seawater air conditioning district cooling project."

5 SECTION 2. Section 209E-11, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 "**§209E-11 State general excise exemptions.** The department  
8 shall certify annually to the department of taxation that any  
9 qualified business is exempt from the payment of general excise  
10 taxes on the gross proceeds from an eligible business activity  
11 as defined in this chapter; provided that agricultural  
12 businesses other than those engaged in the production of  
13 genetically-engineered agricultural products shall not be exempt  
14 from the payment of general excise taxes on the gross proceeds  
15 of agricultural retail sales[-]; and provided further that this  
16 section shall apply notwithstanding the provisions of section  
17 237-13.5. The gross proceeds received by a contractor licensed  
18 under chapter 444 shall be exempt from the general excise tax  
19 for construction within an enterprise zone performed for a  
20 qualified business within an enterprise zone or a business that  
21 has been approved by the department to enroll into the  
22 enterprise zone program. The exemption shall extend for a



1 period not to exceed seven years; provided that for qualified  
2 businesses engaged in the manufacturing of tangible personal  
3 property or the producing or processing of agricultural  
4 products, the exemption shall extend for a period not to exceed  
5 ten years; provided further that if a force majeure event  
6 occurs, then the period of time shall be tolled until the force  
7 majeure event ceases."

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, 2112.



**Report Title:**

Enterprise Zones; Renewable Energy

**Description:**

Amends the definition of "eligible business activity" in Hawaii's enterprise zone program to include the production of electric power from renewable energy and owning, controlling, operating, or managing a seawater air conditioning district cooling project. Effective July 1, 2112. (SB1164 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

