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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. Act 105, Session Laws of Hawaii 2011, section  
2 2, is amended by amending section 237- (a), Hawaii Revised  
3 Statutes, relating to temporary suspension of exemption of  
4 certain amounts; levy of tax, to read as follows:

5           "(a) Notwithstanding any other law to the contrary, the  
6 exemption of the following amounts from taxation under this  
7 chapter shall be suspended from July 1, 2011, through June 30,  
8 2013:

- 9           (1) Amounts deducted from the gross income received by  
10           contractors as described under section 237-13(3)(B);  
11           (2) Reimbursements received by federal cost-plus  
12           contractors for the costs of purchased materials,  
13           plant, and equipment as described under section  
14           237-13(3)(C);  
15           (3) Gross receipts of home service providers acting as  
16           service carriers providing mobile telecommunications  
17           services to other home service providers as described  
18           under section 237-13(6)(D);



- 1 (4) Amounts deducted from the gross income of real  
2 property lessees because of receipt from sublessees as  
3 described under section 237-16.5;
- 4 (5) The value or gross income received by nonprofit  
5 organizations from certain conventions, conferences,  
6 trade show exhibits, or display spaces as described  
7 under section 237-16.8;
- 8 (6) Amounts received by sugarcane producers as described  
9 under section 237-24(14);
- 10 (7) Amounts received from the loading, transportation, and  
11 unloading of agricultural commodities shipped  
12 interisland as described under section 237-24.3(1);
- 13 (8) Amounts received from the sale of intoxicating liquor,  
14 cigarettes and tobacco products, and agricultural,  
15 meat, or fish products to persons or common carriers  
16 engaged in interstate or foreign commerce as described  
17 under section 237-24.3(2);
- 18 (9) Amounts received or accrued from the loading or  
19 unloading of cargo as described under section  
20 237-24.3(4)(A);
- 21 (10) Amounts received or accrued from tugboat and towage  
22 services as described under section 237-24.3(4)(B);



- 1 (11) Amounts received or accrued from the transportation of  
2 pilots or government officials and other maritime-  
3 related services as described under section  
4 237-24.3(4)(C);
- 5 (12) Amounts received by labor organizations for real  
6 property leases as described under section  
7 237-24.3(10);
- 8 (13) Amounts received as rent for aircraft or aircraft  
9 engines used for interstate air transportation as  
10 described under section 237-24.3(12);
- 11 (14) Amounts received by exchanges and exchange members as  
12 described under section 237-24.5;
- 13 ~~[(15) Amounts received as high technology research and~~  
14 ~~development grants under section 206M 15 as described~~  
15 ~~under section 237-24.7(10);~~
- 16 ~~[(16)]~~ (15) Amounts received from the servicing and  
17 maintenance of aircraft or construction of aircraft  
18 service and maintenance facilities as described under  
19 section 237-24.9;
- 20 ~~[(17)]~~ (16) Gross proceeds from the sale of the following:  
21 (A) Intoxicating liquor to the United States  
22 (including any agency or instrumentality of the



1 United States that is wholly owned or otherwise  
2 so constituted as to be immune from the levy of a  
3 tax under chapter 238 or 244D, but not including  
4 national banks) or any organization to which the  
5 sale is permitted by the proviso of "Class 3" of  
6 section 281-31 that is located on any Army, Navy,  
7 or Air Force reservation as described under  
8 section 237-25(a)(1);

9 (B) Tobacco products and cigarettes to the United  
10 States (including any agency or instrumentality  
11 thereof that is wholly owned or otherwise so  
12 constituted as to be immune from the levy of tax  
13 under chapter 238 or 245, but not including  
14 national banks) as described under section  
15 237-25(a)(2); and

16 (C) "Other tangible personal property" to the United  
17 States (including any agency, instrumentality, or  
18 federal credit union thereof, but not including  
19 national banks) and any state-chartered credit  
20 union as described under section 237-25(a)(3);



- 1        [~~(18)~~] (17) Amounts received by petroleum product refiners  
2                    from other refiners for further refining of petroleum  
3                    products as described under section 237-27;
- 4        [~~(19)~~] (18) Gross proceeds received from the construction,  
5                    reconstruction, erection, operation, use, maintenance,  
6                    or furnishing of air pollution control facilities, as  
7                    described under section 237-27.5, that do not have  
8                    valid certificates of exemption on July 1, 2011;
- 9        [~~(20)~~] ~~Gross proceeds received from shipbuilding and ship~~  
10                   ~~repairs as described under section 237-28.1;~~
- 11        [~~(21)~~] (19) Amounts received by telecommunications common  
12                    carriers from call center operators for interstate or  
13                    foreign telecommunications services as described under  
14                    section 237-29.8;
- 15        [~~(22)~~] (20) Gross proceeds received by qualified businesses  
16                    in enterprise zones, as described under section  
17                    209E-11, that do not have valid certificates of  
18                    qualification from the department of business,  
19                    economic development, and tourism on July 1, 2011; and
- 20        [~~(23)~~] (21) Gross proceeds received by contractors licensed  
21                    under chapter 444 for construction within enterprise  
22                    zones performed for qualified businesses within the



1           enterprise zones or businesses approved by the  
2           department of business, economic development, and  
3           tourism to enroll into the enterprise zone program, as  
4           described under section 209E-11."

5           SECTION 2. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7           SECTION 3. This Act shall take effect on June 30, 2112.



**Report Title:**

General Excise Tax; Temporary Exemption Suspension; Shipbuilding

**Description:**

Changes the sunset date of the temporary suspension of the general excise tax exemptions for high technology research and development and for shipbuilding and ship repairs provided for in Act 105, Session Laws of Hawaii 2011. Effective June 30, 2112. (HB2408 HD1)

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

