
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. Section 237-24.3, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§237-24.3 **Additional amounts not taxable.** In addition to
4 the amounts not taxable under section 237-24, this chapter shall
5 not apply to:

6 (1) Amounts received from the loading, transportation, and
7 unloading of agricultural commodities shipped for a
8 producer or produce dealer on one island of this State
9 to a person, firm, or organization on another island
10 of this State. The terms "agricultural commodity",
11 "producer", and "produce dealer" shall be defined in
12 the same manner as they are defined in section 147-1;
13 provided that agricultural commodities need not have
14 been produced in the State; provided that for purposes
15 of this section, the term "agricultural commodity"
16 shall also mean:



- 1 (A) Milk, poultry, eggs, poultry carcasses, or
2 poultry meat to be consumed in the State, whether
3 processed in the State or imported; and
- 4 (B) Aquaculture or aquaponic products to be consumed
5 in the State, whether processed in the State or
6 imported;
- 7 (2) Amounts received from sales of:
- 8 (A) Intoxicating liquor as the term "liquor" is
9 defined in chapter 244D;
- 10 (B) Cigarettes and tobacco products as defined in
11 chapter 245; and
- 12 (C) Agricultural, meat, or fish products;
13 to any person or common carrier in interstate or
14 foreign commerce, or both, whether ocean-going or air,
15 for consumption out-of-state on the shipper's vessels
16 or airplanes;
- 17 (3) Amounts received by the manager, submanager, or board
18 of directors of:
- 19 (A) An association of owners of a condominium
20 property regime established in accordance with
21 chapter 514A or 514B; or



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- 1 (B) A nonprofit homeowners or community association
2 incorporated in accordance with chapter 414D or
3 any predecessor thereto and existing pursuant to
4 covenants running with the land,
5 in reimbursement of sums paid for common expenses;
- 6 (4) Amounts received or accrued from:
- 7 (A) The loading or unloading of cargo from ships,
8 barges, vessels, or aircraft, whether or not the
9 ships, barges, vessels, or aircraft travel
10 between the State and other states or countries
11 or between the islands of the State;
- 12 (B) Tugboat services including pilotage fees
13 performed within the State, and the towage of
14 ships, barges, or vessels in and out of state
15 harbors, or from one pier to another; and
- 16 (C) The transportation of pilots or governmental
17 officials to ships, barges, or vessels offshore;
18 rigging gear; checking freight and similar
19 services; standby charges; and use of moorings
20 and running mooring lines;
- 21 (5) Amounts received by an employee benefit plan by way of
22 contributions, dividends, interest, and other income;



1 and amounts received by a nonprofit organization or
2 office, as payments for costs and expenses incurred
3 for the administration of an employee benefit plan;
4 provided that this exemption shall not apply to any
5 gross rental income or gross rental proceeds received
6 after June 30, 1994, as income from investments in
7 real property in this State; and provided further that
8 gross rental income or gross rental proceeds from
9 investments in real property received by an employee
10 benefit plan after June 30, 1994, under written
11 contracts executed prior to July 1, 1994, shall not be
12 taxed until the contracts are renegotiated, renewed,
13 or extended, or until after December 31, 1998,
14 whichever is earlier. For the purposes of this
15 paragraph, "employee benefit plan" means any plan as
16 defined in section 1002(3) of title 29 of the United
17 States Code, as amended;

- 18 (6) Amounts received for purchases made with United States
19 Department of Agriculture food coupons under the
20 federal food stamp program, and amounts received for
21 purchases made with United States Department of
22 Agriculture food vouchers under the Special



1 Supplemental Foods Program for Women, Infants and
2 Children;

- 3 (7) Amounts received by a hospital, infirmary, medical
4 clinic, health care facility, pharmacy, or a
5 practitioner licensed to administer the drug to an
6 individual for selling prescription drugs or
7 prosthetic devices to an individual; provided that
8 this paragraph shall not apply to any amounts received
9 for services provided in selling prescription drugs or
10 prosthetic devices. As used in this paragraph:

11 "Prescription drugs" are those drugs defined
12 under section 328-1 and dispensed by filling or
13 refilling a written or oral prescription by a
14 practitioner licensed under law to administer the drug
15 and sold by a licensed pharmacist under section 328-16
16 or practitioners licensed to administer drugs; and

17 "Prosthetic device" means any artificial device
18 or appliance, instrument, apparatus, or contrivance,
19 including their components, parts, accessories, and
20 replacements thereof, used to replace a missing or
21 surgically removed part of the human body, which is
22 prescribed by a licensed practitioner of medicine,



1 osteopathy, or podiatry and which is sold by the
2 practitioner or which is dispensed and sold by a
3 dealer of prosthetic devices; provided that
4 "prosthetic device" shall not mean any auditory,
5 ophthalmic, dental, or ocular device or appliance,
6 instrument, apparatus, or contrivance;

7 (8) Taxes on transient accommodations imposed by chapter
8 237D and passed on and collected by operators holding
9 certificates of registration under that chapter;

10 (9) Amounts received as dues by an unincorporated
11 merchants association from its membership for
12 advertising media, promotional, and advertising costs
13 for the promotion of the association for the benefit
14 of its members as a whole and not for the benefit of
15 an individual member or group of members less than the
16 entire membership;

17 (10) Amounts received by a labor organization for real
18 property leased to:

19 (A) A labor organization; or

20 (B) A trust fund established by a labor organization
21 for the benefit of its members, families, and
22 dependents for medical or hospital care, pensions



1 on retirement or death of employees,
2 apprenticeship and training, and other membership
3 service programs.

4 As used in this paragraph, "labor organization" means
5 a labor organization exempt from federal income tax
6 under section 501(c)(5) of the Internal Revenue Code,
7 as amended;

8 (11) Amounts received from foreign diplomats and consular
9 officials who are holding cards issued or authorized
10 by the United States Department of State granting them
11 an exemption from state taxes; and

12 (12) Amounts received as rent for the rental or leasing of
13 aircraft or aircraft engines used by the lessees or
14 renters for interstate air transportation of
15 passengers and goods. For purposes of this paragraph,
16 payments made pursuant to a lease shall be considered
17 rent regardless of whether the lease is an operating
18 lease or a financing lease. The definition of
19 "interstate air transportation" is the same as in 49
20 U.S.C. 40102."

21 SECTION 2. New statutory material is underscored.



1 SECTION 3. This Act shall take effect on July 1, 2013.

2

INTRODUCED BY:

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Report Title:

Agriculture; Agricultural Commodities

Description:

Adds to the definition of agricultural commodities exempt from the GET, milk, poultry eggs, poultry carcass, poultry meat, and aquaculture and aquaponic products to be consumed in the State, whether processed in the State or imported.

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