
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[+]. For purposes of this
15 paragraph:

16 "Agricultural commodity" shall include:



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 aquaponics products to be consumed
5 in the State, whether processed in the State or
6 imported;

7 "Aquaculture products" means commercial products
8 that are a result of or derived from the propagation,
9 cultivation, or farming of aquatic plants and animals
10 in controlled or selected environments for commercial
11 purposes or authorized stock enhancement purposes; and

12 "Aquaponics products" means commercial products
13 that are a result of or derived from the propagation,
14 cultivation, or farming of plants and aquatic animals
15 in controlled or selected production systems that
16 combine aquaculture with hydroponics in a symbiotic
17 relationship for commercial purposes;

18 (2) Amounts received from sales of:

19 (A) Intoxicating liquor as the term "liquor" is
20 defined in chapter 244D;

21 (B) Cigarettes and tobacco products as defined in
22 chapter 245; and



- 1 (C) Agricultural, meat, or fish products;
- 2 to any person or common carrier in interstate or
- 3 foreign commerce, or both, whether ocean-going or air,
- 4 for consumption out-of-state on the shipper's vessels
- 5 or airplanes;
- 6 (3) Amounts received by the manager, submanager, or board
- 7 of directors of:
- 8 (A) An association of owners of a condominium
- 9 property regime established in accordance with
- 10 chapter 514A or 514B; or
- 11 (B) A nonprofit homeowners or community association
- 12 incorporated in accordance with chapter 414D or
- 13 any predecessor thereto and existing pursuant to
- 14 covenants running with the land,
- 15 in reimbursement of sums paid for common expenses;
- 16 (4) Amounts received or accrued from:
- 17 (A) The loading or unloading of cargo from ships,
- 18 barges, vessels, or aircraft, whether or not the
- 19 ships, barges, vessels, or aircraft travel
- 20 between the State and other states or countries
- 21 or between the islands of the State;



- 1 (B) Tugboat services including pilotage fees
- 2 performed within the State, and the towage of
- 3 ships, barges, or vessels in and out of state
- 4 harbors, or from one pier to another; and
- 5 (C) The transportation of pilots or governmental
- 6 officials to ships, barges, or vessels offshore;
- 7 rigging gear; checking freight and similar
- 8 services; standby charges; and use of moorings
- 9 and running mooring lines;
- 10 (5) Amounts received by an employee benefit plan by way of
- 11 contributions, dividends, interest, and other income;
- 12 and amounts received by a nonprofit organization or
- 13 office, as payments for costs and expenses incurred
- 14 for the administration of an employee benefit plan;
- 15 provided that this exemption shall not apply to any
- 16 gross rental income or gross rental proceeds received
- 17 after June 30, 1994, as income from investments in
- 18 real property in this State; and provided further that
- 19 gross rental income or gross rental proceeds from
- 20 investments in real property received by an employee
- 21 benefit plan after June 30, 1994, under written
- 22 contracts executed prior to July 1, 1994, shall not be



1 taxed until the contracts are renegotiated, renewed,
2 or extended, or until after December 31, 1998,
3 whichever is earlier. For the purposes of this
4 paragraph, "employee benefit plan" means any plan as
5 defined in section 1002(3) of title 29 of the United
6 States Code, as amended;

7 (6) Amounts received for purchases made with United States
8 Department of Agriculture food coupons under the
9 federal food stamp program, and amounts received for
10 purchases made with United States Department of
11 Agriculture food vouchers under the Special
12 Supplemental Foods Program for Women, Infants and
13 Children;

14 (7) Amounts received by a hospital, infirmary, medical
15 clinic, health care facility, pharmacy, or a
16 practitioner licensed to administer the drug to an
17 individual for selling prescription drugs or
18 prosthetic devices to an individual; provided that
19 this paragraph shall not apply to any amounts received
20 for services provided in selling prescription drugs or
21 prosthetic devices. As used in this paragraph:



1 "Prescription drugs" are those drugs defined
2 under section 328-1 and dispensed by filling or
3 refilling a written or oral prescription by a
4 practitioner licensed under law to administer the drug
5 and sold by a licensed pharmacist under section 328-16
6 or practitioners licensed to administer drugs; and

7 "Prosthetic device" means any artificial device
8 or appliance, instrument, apparatus, or contrivance,
9 including their components, parts, accessories, and
10 replacements thereof, used to replace a missing or
11 surgically removed part of the human body, which is
12 prescribed by a licensed practitioner of medicine,
13 osteopathy, or podiatry and which is sold by the
14 practitioner or which is dispensed and sold by a
15 dealer of prosthetic devices; provided that

16 "prosthetic device" shall not mean any auditory,
17 ophthalmic, dental, or ocular device or appliance,
18 instrument, apparatus, or contrivance;

- 19 (8) Taxes on transient accommodations imposed by chapter
20 237D and passed on and collected by operators holding
21 certificates of registration under that chapter;



1 (9) Amounts received as dues by an unincorporated
2 merchants association from its membership for
3 advertising media, promotional, and advertising costs
4 for the promotion of the association for the benefit
5 of its members as a whole and not for the benefit of
6 an individual member or group of members less than the
7 entire membership;

8 (10) Amounts received by a labor organization for real
9 property leased to:

10 (A) A labor organization; or

11 (B) A trust fund established by a labor organization
12 for the benefit of its members, families, and
13 dependents for medical or hospital care, pensions
14 on retirement or death of employees,
15 apprenticeship and training, and other membership
16 service programs.

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

21 (11) Amounts received from foreign diplomats and consular
22 officials who are holding cards issued or authorized



1 by the United States Department of State granting them
2 an exemption from state taxes; and

3 (12) Amounts received as rent for the rental or leasing of
4 aircraft or aircraft engines used by the lessees or
5 renters for interstate air transportation of
6 passengers and goods. For purposes of this paragraph,
7 payments made pursuant to a lease shall be considered
8 rent regardless of whether the lease is an operating
9 lease or a financing lease. The definition of
10 "interstate air transportation" is the same as in 49
11 U.S.C. 40102."

12 SECTION 2. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 3. This Act shall take effect on July 1, 2050.



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. Effective 07/01/2050. (SD1)

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

