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## A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

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, livestock, and  
8           meat shipped for a producer or dealer of agricultural  
9           commodities, livestock, or meat on one island of this  
10           State to a person, firm, or organization on another  
11           island of this State. The terms "producer" and  
12           "dealer" shall have the same meanings as in section  
13           145-1. The [~~terms~~] term "agricultural commodity" [~~-~~  
14           ~~"producer", and "produce dealer"~~] shall be defined in  
15           the same manner as [~~they are~~] it is defined in section  
16           147-1; provided that agricultural commodities need not  
17           have been produced in the State. "Meat" shall have



1           the same meaning as the term "meat or meat products"  
2           in section 159-3.

3           (2) Amounts received from sales of:

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

6           (B) Cigarettes and tobacco products as defined in  
7           chapter 245; and

8           (C) Agricultural, meat, or fish products;  
9           to any person or common carrier in interstate or  
10          foreign commerce, or both, whether ocean-going or air,  
11          for consumption out-of-state on the shipper's vessels  
12          or airplanes;

13          (3) Amounts received by the manager, submanager, or board  
14          of directors of:

15          (A) An association of owners of a condominium  
16          property regime established in accordance with  
17          chapter 514A or 514B; or

18          (B) A nonprofit homeowners or community association  
19          incorporated in accordance with chapter 414D or  
20          any predecessor thereto and existing pursuant to  
21          covenants running with the land,

22          in reimbursement of sums paid for common expenses;



- 1           (4) Amounts received or accrued from:
  - 2               (A) The loading or unloading of cargo from ships,
  - 3                       barges, vessels, or aircraft, whether or not the
  - 4                       ships, barges, vessels, or aircraft travel
  - 5                       between the State and other states or countries
  - 6                       or between the islands of the State;
  - 7               (B) Tugboat services including pilotage fees
  - 8                       performed within the State, and the towage of
  - 9                       ships, barges, or vessels in and out of state
  - 10                      harbors, or from one pier to another; and
  - 11              (C) The transportation of pilots or governmental
  - 12                      officials to ships, barges, or vessels offshore;
  - 13                      rigging gear; checking freight and similar
  - 14                      services; standby charges; and use of moorings
  - 15                      and running mooring lines;
- 16           (5) Amounts received by an employee benefit plan by way of
- 17               contributions, dividends, interest, and other income;
- 18               and amounts received by a nonprofit organization or
- 19               office, as payments for costs and expenses incurred
- 20               for the administration of an employee benefit plan;
- 21               provided that this exemption shall not apply to any
- 22               gross rental income or gross rental proceeds received



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

13 (6) Amounts received for purchases made with United States  
14 Department of Agriculture food coupons under the  
15 federal food stamp program, and amounts received for  
16 purchases made with United States Department of  
17 Agriculture food vouchers under the Special  
18 Supplemental Foods Program for Women, Infants and  
19 Children;

20 (7) Amounts received by a hospital, infirmary, medical  
21 clinic, health care facility, pharmacy, or a  
22 practitioner licensed to administer the drug to an



1 individual for selling prescription drugs or  
2 prosthetic devices to an individual; provided that  
3 this paragraph shall not apply to any amounts received  
4 for services provided in selling prescription drugs or  
5 prosthetic devices. As used in this paragraph:

6 "Prescription drugs" are those drugs defined  
7 under section 328-1 and dispensed by filling or  
8 refilling a written or oral prescription by a  
9 practitioner licensed under law to administer the drug  
10 and sold by a licensed pharmacist under section 328-16  
11 or practitioners licensed to administer drugs; and

12 "Prosthetic device" means any artificial device  
13 or appliance, instrument, apparatus, or contrivance,  
14 including their components, parts, accessories, and  
15 replacements thereof, used to replace a missing or  
16 surgically removed part of the human body, which is  
17 prescribed by a licensed practitioner of medicine,  
18 osteopathy, or podiatry and which is sold by the  
19 practitioner or which is dispensed and sold by a  
20 dealer of prosthetic devices; provided that  
21 "prosthetic device" shall not mean any auditory,



- 1           ophthalmic, dental, or ocular device or appliance,
- 2           instrument, apparatus, or contrivance;
- 3       (8)   Taxes on transient accommodations imposed by chapter
- 4           237D and passed on and collected by operators holding
- 5           certificates of registration under that chapter;
- 6       (9)   Amounts received as dues by an unincorporated
- 7           merchants association from its membership for
- 8           advertising media, promotional, and advertising costs
- 9           for the promotion of the association for the benefit
- 10          of its members as a whole and not for the benefit of
- 11          an individual member or group of members less than the
- 12          entire membership;
- 13       (10)   Amounts received by a labor organization for real
- 14          property leased to:
  - 15           (A)   A labor organization; or
  - 16           (B)   A trust fund established by a labor organization
  - 17                  for the benefit of its members, families, and
  - 18                  dependents for medical or hospital care, pensions
  - 19                  on retirement or death of employees,
  - 20                  apprenticeship and training, and other membership
  - 21                  service programs.



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

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

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

18          SECTION 2. Statutory material to be repealed is bracketed  
19          and stricken. New statutory material is underscored.

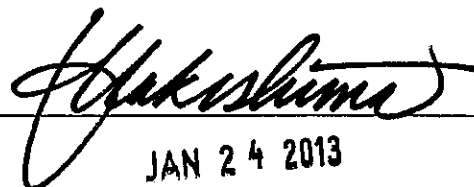
20          SECTION 3. This Act shall take effect upon its approval;  
21          provided that the amendments made to section 237-24.3, Hawaii  
22          Revised Statutes, by section 1 of this Act shall not be repealed



1 when that section is reenacted on December 31, 2014, pursuant to  
2 section 1 of Act 91, Session Laws of Hawaii 2010.

3

INTRODUCED BY:

  
JAN 24 2013





# H.B. NO. 1253

**Report Title:**

General Excise Tax; Livestock; Meat

**Description:**

Exempts from the general excise tax money received from interisland loading, transportation, and unloading of livestock and meat.

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

