
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:

17 (A) Cattle, beef, and beef carcasses; goats, goat
18 meat, and goat carcasses; lambs, lamb meat, and



1 lamb carcasses; sheep, sheep meat, and sheep
2 carcasses; hogs, pork, and pork carcasses; milk
3 and milk products; eggs; or chickens, poultry
4 meat, and poultry carcasses to be consumed in the
5 State, whether processed in the State or
6 imported; and

7 (B) Products of aquaculture or aquaponics to be
8 consumed in the State, whether processed in the
9 State or imported;

10 (2) Amounts received by the manager, submanager, or board
11 of directors of:

12 (A) An association of owners of a condominium
13 property regime established in accordance with
14 chapter 514A or 514B; or

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

19 in reimbursement of sums paid for common expenses;

20 (3) Amounts received or accrued from:

21 (A) The loading or unloading of cargo from ships,
22 barges, vessels, or aircraft, whether or not the



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



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

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

17 (6) Amounts received by a hospital, infirmary, medical
18 clinic, health care facility, pharmacy, or a
19 practitioner licensed to administer the drug to an
20 individual for selling prescription drugs or
21 prosthetic devices to an individual; provided that
22 this paragraph shall not apply to any amounts received



1 for services provided in selling prescription drugs or
2 prosthetic devices. As used in this paragraph:

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

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

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



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



1 under section 501(c)(5) of the Internal Revenue Code,
2 as amended;

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

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

16 SECTION 2. New statutory material is underscored.

17 SECTION 3. This Act shall take effect on July 1, 2014.



Report Title:

Agriculture; Agricultural Commodities

Description:

Expands the agricultural commodities general excise tax exemption to include cattle, goats, lambs, sheep, hogs, pork, pork carcasses, milk products, chickens, and products of aquaculture or aquaponics. Effective July 1, 2014. (HB1260 HD2)

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

