
A BILL FOR AN ACT

RELATING TO COMMUTER AVIATION EXEMPTIONS.

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

1 SECTION 1. Section 237-24.9, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§237-24.9 Aircraft service and maintenance facility. (a)
4 This chapter shall not apply to amounts received by a qualifying
5 taxpayer from the servicing and maintenance of aircraft or from
6 the construction of an aircraft service and maintenance facility
7 in the State.

8 (b) As used in this section:

9 "Aircraft" means any craft or artificial contrivance of
10 whatever description engaged in intrastate, interstate, or
11 international scheduled commercial use as defined in chapter
12 263, that operates with two or more jet engines.

13 "Aircraft service and maintenance" means all scheduled and
14 unscheduled tasks performed within an aircraft service and
15 maintenance facility for the inspection, modification,
16 maintenance, and repair of aircraft and related components



1 including engines, hydraulic and electrical systems, and all
2 other components which are an integral part of an aircraft.

3 "Aircraft service and maintenance facility" means a
4 facility for aircraft service and maintenance that is not less
5 than thirty thousand square feet in area, and which may include
6 ancillary space which is integral to the facility, such as parts
7 and inventory warehouse space, tool rooms, and related
8 administrative and employee space.

9 "Construction of an aircraft service and maintenance
10 facility" means all design, engineering, labor, and material
11 costs associated with the construction of facilities the
12 principle purpose of which is the provision of facilities for
13 aircraft service and maintenance.

14 "Maintenance" means the upkeep of aircraft engines,
15 hydraulic and electrical systems, and all other components which
16 are an integral part of an aircraft, but does not include
17 refueling, janitorial services or cleaning, restocking of
18 aircraft and passenger supplies, or loading or unloading of
19 cargo and passenger baggage.

20 "Qualifying taxpayer" means a Hawaii air carrier that:

21 (1) Is engaged in the transportation of persons;



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- 1 (2) Operates solely within the State; and
- 2 (3) Services routes that are less than profitable."

3 SECTION 2. New statutory material is underscored.

4 SECTION 3. This Act shall take effect upon its approval.

5

INTRODUCED BY:

[Signature]

Cindy Evans

[Signature]

Jay DeBite

JAN 22 2016



H.B. NO. 1842

Report Title:

General Excise Tax; Aircraft Service and Maintenance; Exemption

Description:

Amends the general excise tax exemption for aircraft service and maintenance to apply only to certain airlines.

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