
A BILL FOR AN ACT

RELATING TO THE GENERAL EXCISE TAX.

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

1 SECTION 1. The legislature finds that Hawaiian loko i'a
2 (fishponds) are unique aquacultural systems that are an integral
3 part of Hawaiian culture. Loko i'a are environmentally
4 sustainable aquacultural enterprises, which also provide
5 cultural benefits to Hawaii, employment opportunities, and
6 fishstock enhancement. Fishpond production provides a highly
7 desirable food source for local communities and offers income
8 for the fishpond operator. While fishpond production is
9 potentially profitable, profit margins are small.

10 The legislature further finds that products produced by
11 Hawaiian loko i'a should be taxed at the wholesale rate of one-
12 half of one per cent to help promote the cultivation of loko i'a.

13 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
14 amended by adding a new section to be appropriately designated
15 and to read as follows:

16 "§237- Products produced by Hawaiian loko i'a; wholesale
17 rate. (a) The wholesale rate of one-half of one per cent shall



1 apply to all of the gross proceeds of sale or gross income
2 arising from the sale of all products produced from Hawaiian
3 loko i'a.

4 (b) For purposes of this section, "Hawaiian loko i'a" means
5 the unique, traditional system and methodology of aquaculture
6 originally practiced by the aboriginal people of Hawaii.
7 Generally referred to as "loko i'a", the system mastered by
8 ancient Hawaiians includes but is not limited to loko kuapa,
9 loko umeiki, and loko pu'uone. Loko i'a are natural or
10 artificial enclosures; loko kuapa are enclosures built upon a
11 reef, loko umeiki are a type of permanent fish-trap structure,
12 and loko pu'uone are enclosed by sand. The term includes
13 fishponds built outside of the State of Hawaii. The term
14 excludes any fishpond designed in a manner or constructed for
15 purposes other than those associated with traditional loko i'a
16 management and culture."

17 SECTION 3. New statutory material is underscored.

18 SECTION 4. This Act shall take effect on July 1, 2050.

19



Report Title:

General Excise Tax; Loko i'a; Hawaiian Fishpond

Description:

Establishes a general excise tax at the wholesale rate of one-half of one per cent for the gross proceeds or income from all products produced from Hawaiian loko i'a. Effective 7/1/2050.
(SD1)

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