
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Chapter 237, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§237- Exemption of businesses operating in construction
5 areas of county mass transit projects. (a) This chapter shall
6 not apply to the gross income or gross proceeds earned by a
7 business operating in a construction area of a county mass
8 transit project for the duration of the construction of the
9 county mass transit project. This exemption shall only apply
10 to:

- 11 (1) The gross income or gross proceeds principally earned
12 by that business within the boundaries of the
13 construction area of a county mass transit project;
14 (2) Businesses demonstrating an aggregate per cent
15 or greater decrease in annual gross income due to
16 construction activity affecting vehicle accessibility
17 to the business when compared with gross income in the



1 year immediately preceding the start of construction
2 in the area.

3 (b) To qualify for an exemption under this section, a
4 business shall first submit an application for the exemption
5 with the department, which if satisfied that the business meets
6 the necessary criteria in subsection (a), shall certify to this
7 fact. A business seeking an exemption under this section shall
8 apply for certification on an annual basis.

9 (c) The department shall:

10 (1) Prepare any forms that may be necessary to claim an
11 exemption under this section; and

12 (2) Adopt rules under chapter 91 to effectuate this
13 section.

14 (d) As used in this section:

15 "Operating in a construction area" means that the physical
16 premises of the business is located within a half mile of a
17 construction area.

18 "County mass transit project" means a project for which a
19 county has established a county surcharge on state tax pursuant
20 to section 46-16.8."

21 SECTION 2. New statutory material is underscored.



H.B. NO. 2692

1 SECTION 3. This Act shall take effect on July 1, 2016.

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INTRODUCED BY:

[Signature]
[Signature]

JAN 27 2016



H.B. NO. 2692

Report Title:

General Excise Tax; Mass Transit Project; Exemption

Description:

Establishes a general excise tax exemption for businesses affected by construction from a county mass transit project.

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