A BILL FOR AN ACT

RELATING TO TAXATION.

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

1   SECTION 1. The legislature finds that according to the

2 Hawaii tourism authority, visitors to the State spend in excess

3 of $1,200,000,000 per month. The aviation industry is important

4 for inter-island travel for tourism, medical needs, and inter-

5 island commerce. The State's economy is highly dependent on

6 tourism and the ability to travel between islands. There is a

7 proliferation of helicopter use in the State for travel,

8 recreational, and medical needs. However, only traditional

9 aircrafts are afforded certain tax exemptions. Due to changes

10 in the industry and travel options, taxes levied on aviation

11 businesses need to be updated to promote inter-island travel

12 options for visitors and residents, and the interests of the

13 State.

14   The purpose of this Act is to create equity among the types

15 of available aircrafts by exempting helicopter service and

16 maintenance and construction of related facilities from the

17 general excise tax.

S.B. NO. 769 S.D. 1

1   SECTION 2.   Section 237-24.9, Hawaii Revised Statutes, is

2 amended by amending the definition of "aircraft" in subsection

3 (b) to read as follows:

4   ""Aircraft" means a helicopter, or any craft or artificial

5 contrivance of whatever description engaged in intrastate,

6 interstate, or international scheduled commercial use as defined

7 in chapter 263, that operates with two or more jet engines."

8   SECTION 3.   New statutory material is underscored.

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

10

Report Title:
Taxation; Aviation; General Excise Tax; Helicopters; Service and Maintenance

Description:
Exempts helicopter service and maintenance and construction of service and maintenance facilities from the general excise tax. (SD1)

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