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## 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. 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;

15           (2) Amounts received by the manager, submanager, or board  
16 of directors of:



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- 1           (A) An association of a condominium property regime  
2                   established in accordance with chapter 514B or  
3                   any predecessor thereto; or
- 4           (B) A nonprofit homeowners or community association  
5                   incorporated in accordance with chapter 414D or  
6                   any predecessor thereto and existing pursuant to  
7                   covenants running with the land,  
8           in reimbursement of sums paid for common expenses;
- 9       (3) Amounts received or accrued from:
- 10           (A) The loading or unloading of cargo from ships,  
11                   barges, vessels, or aircraft, whether or not the  
12                   ships, barges, vessels, or aircraft travel  
13                   between the State and other states or countries  
14                   or between the islands of the State;
- 15           (B) Tugboat services including pilotage fees  
16                   performed within the State, and the towage of  
17                   ships, barges, or vessels in and out of state  
18                   harbors, or from one pier to another; and
- 19           (C) The transportation of pilots or governmental  
20                   officials to ships, barges, or vessels offshore;  
21                   rigging gear; checking freight and similar



1           services; standby charges; and use of moorings  
2           and running mooring lines;

3       (4) Amounts received by an employee benefit plan by way of  
4       contributions, dividends, interest, and other income;  
5       and amounts received by a nonprofit organization or  
6       office, as payments for costs and expenses incurred  
7       for the administration of an employee benefit plan;  
8       provided that this exemption shall not apply to any  
9       gross rental income or gross rental proceeds received  
10      after June 30, 1994, as income from investments in  
11      real property in this State; and provided further that  
12      gross rental income or gross rental proceeds from  
13      investments in real property received by an employee  
14      benefit plan after June 30, 1994, under written  
15      contracts executed prior to July 1, 1994, shall not be  
16      taxed until the contracts are renegotiated, renewed,  
17      or extended, or until after December 31, 1998,  
18      whichever is earlier. For the purposes of this  
19      paragraph, "employee benefit plan" means any plan as  
20      defined in title 29 United States Code section  
21      1002(3), as amended;



1           (5) Amounts received for purchases made with United States  
2           Department of Agriculture food coupons under the  
3           federal food stamp program, and amounts received for  
4           purchases made with United States Department of  
5           Agriculture food vouchers under the Special  
6           Supplemental Foods Program for Women, Infants and  
7           Children;

8           (6) Amounts received by a hospital, infirmary, medical  
9           clinic, health care facility, pharmacy, or a  
10          practitioner licensed to administer the drug to an  
11          individual for selling prescription drugs or  
12          prosthetic devices to an individual; provided that  
13          this paragraph shall not apply to any amounts received  
14          for services provided in selling prescription drugs or  
15          prosthetic devices. As used in this paragraph:

16                 "Prescription drugs" are those drugs defined  
17          under section 328-1 and dispensed by filling or  
18          refilling a written or oral prescription by a  
19          practitioner licensed under law to administer the drug  
20          and sold by a licensed pharmacist under section 328-16  
21          or practitioners licensed to administer drugs;



1 provided that "prescription drugs" shall not include  
2 cannabis or manufactured cannabis products authorized  
3 pursuant to chapters 329 and 329D; and

4 "Prosthetic device" means any artificial device  
5 or appliance, instrument, apparatus, or contrivance,  
6 including their components, parts, accessories, and  
7 replacements thereof, used to replace a missing or  
8 surgically removed part of the human body, which is  
9 prescribed by a licensed practitioner of medicine,  
10 osteopathy, or podiatry and that is sold by the  
11 practitioner or that is dispensed and sold by a dealer  
12 of prosthetic devices; provided that "prosthetic  
13 device" shall not mean any auditory, ophthalmic,  
14 dental, or ocular device or appliance, instrument,  
15 apparatus, or contrivance;

16 (7) Taxes on transient accommodations imposed by chapter  
17 237D and passed on and collected by operators holding  
18 certificates of registration under that chapter;

19 (8) Amounts received as dues by an unincorporated  
20 merchants association from its membership for  
21 advertising media, promotional, and advertising costs



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1 for the promotion of the association for the benefit  
2 of its members as a whole and not for the benefit of  
3 an individual member or group of members less than the  
4 entire membership;

5 (9) Amounts received by a labor organization for real  
6 property leased to:

7 (A) A labor organization; or

8 (B) A trust fund established by a labor organization  
9 for the benefit of its members, families, and  
10 dependents for medical or hospital care, pensions  
11 on retirement or death of employees,  
12 apprenticeship and training, and other membership  
13 service programs.

14 As used in this paragraph, "labor organization" means  
15 a labor organization exempt from federal income tax  
16 under section 501(c)(5) of the Internal Revenue Code,  
17 as amended;

18 (10) Amounts received from foreign diplomats and consular  
19 officials who are holding cards issued or authorized  
20 by the United States Department of State granting them  
21 an exemption from state taxes; [~~and~~]



1 (11) Amounts received as rent for the rental or leasing of  
 2 aircraft or aircraft engines used by the lessees or  
 3 renters for interstate air transportation of  
 4 passengers and goods. For purposes of this paragraph,  
 5 payments made pursuant to a lease shall be considered  
 6 rent regardless of whether the lease is an operating  
 7 lease or a financing lease. The definition of  
 8 "interstate air transportation" is the same as in  
 9 title 49 [U.S.C.] United States Code section 40102[-];  
 10 and

11 (12) Amounts received from the sales of feminine hygiene  
 12 products. As used in this paragraph, "feminine  
 13 hygiene product" means a sanitary napkin, sanitary  
 14 towel, tampon, menstrual cup, or sanitary pad."

15 SECTION 2. Statutory material to be repealed is bracketed  
 16 and stricken. New statutory material is underscored.

17 SECTION 3. This Act shall take effect on July 1, 2020.

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INTRODUCED BY: *James A. ...*  
*... Kitagawa*  
*... of MA*



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**Report Title:**

General Excise Tax; Exemption; Feminine Hygiene Products

**Description:**

Exempts the sales of feminine hygiene products from the general excise tax.

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