

JAN 23 2020

A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

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

1 SECTION 1. The legislature finds that Hawaii is recognized
2 as having the highest cost of living in the nation.
3 Accordingly, the purpose of this Act is to help reduce the
4 impact of the general excise tax and thereby reduce the cost-of-
5 living for Hawaii residents by exempting amounts received for
6 food from the general excise tax.

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

10 "§237- Amounts not taxable for food or food ingredients.

11 (a) The excise tax assessed under this chapter shall not apply
12 to amounts received for food or food ingredients.

13 (b) Excise taxes assessed on alcoholic beverages, dietary
14 supplements, prepared food, and tobacco shall not be exempt from
15 this chapter pursuant to this section.

16 (c) As used in this section:



1 "Alcoholic beverages" means beverages that are suitable for
2 human consumption and contain one-half of one per cent or more
3 alcohol by volume.

4 "Dietary supplement" means any product, other than tobacco,
5 intended to supplement the diet that:

6 (1) Contains one or more of the following dietary
7 ingredients:

8 (A) A vitamin;

9 (B) A mineral;

10 (C) An herb or other botanical element;

11 (D) An amino acid; or

12 (E) A dietary substance for use by humans to
13 supplement a person's diet by increasing the
14 total dietary intake; or a concentrate,
15 metabolite, constituent, extract, or combination
16 of any ingredient described in this definition;

17 (2) Is intended for ingestion in tablet, capsule, powder,
18 softgel, gelcap, or liquid form, or if not intended
19 for ingestion in such form, is not represented as
20 conventional food and is not represented for use as a
21 sole item of a meal or of a diet; and



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1 (3) Is required to be labeled as a dietary supplement,
2 identifiable by the "supplement facts" box found on
3 the label as required pursuant to title 21 Code of
4 Federal Regulations section 101.36, as amended or
5 renumbered.

6 "Food" or "food ingredients" means substances, whether in
7 liquid, concentrated, solid, frozen, dried, or dehydrated form,
8 that are sold for ingestion or chewing by humans and are
9 consumed for their taste or nutritional value. Food or food
10 ingredients does not include food or food ingredients sold from
11 a vending machine, whether cold or hot, alcoholic beverages,
12 dietary supplements, prepared food, or tobacco.

13 "Prepared food" means:

14 (1) Food sold in a heated state or heated by the seller;

15 (2) Food sold with eating utensils provided by the seller,

16 including plates, bowls, chopsticks, knives, forks,

17 spoons, glasses, cups, napkins, or straws. A plate

18 does not include a container or packaging used

19 exclusively to transport the food; or

20 (3) Two or more food ingredients mixed or combined by the

21 seller for sale as a single item, except:



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1 (A) Food that is only cut, repackaged, or pasteurized
2 by the seller; or

3 (B) Raw eggs, fish, meat, poultry, or foods
4 containing these raw animal foods requiring
5 cooking by the consumer as recommended by the
6 federal Food and Drug Administration in chapter
7 3, part 401.11 of the Food Code, published by the
8 Food and Drug Administration, as amended or
9 renumbered, to prevent foodborne illness.

10 "Prepared food" does not include food sold in an unheated state
11 by weight or volume as a single item or bakery items, such as
12 bread, rolls, buns, biscuits, bagels, croissants, pastries,
13 donuts, Danish, cakes, tortes, pies, tarts, muffins, bars,
14 cookies, or tortillas.

15 "Tobacco" includes cigarettes, cigars, chewing or pipe
16 tobacco, or any other item that contains tobacco."

17 SECTION 3. New statutory material is underscored.

18 SECTION 4. This Act shall take effect on July 1, 2020.

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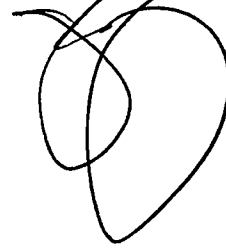
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Report Title:

General Excise Tax; Food; Exemption

Description:

Provides a general excise tax exemption for certain food or food ingredients.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

