
A BILL FOR AN ACT

RELATING TO HEARING AIDS.

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:



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, including
12 stevedoring services as defined in section 382-1,
13 whether or not the ships, barges, vessels, or
14 aircraft travel between the State and other
15 states or countries or between the islands of the
16 State;

17 (B) Tugboat services including pilotage fees
18 performed within the State, and the towage of
19 ships, barges, or vessels in and out of state
20 harbors, or from one pier to another;



1 (C) The transportation of pilots or governmental
2 officials to ships, barges, or vessels offshore;
3 rigging gear; checking freight and similar
4 services; standby charges; and use of moorings
5 and running mooring lines; and

6 (D) Wharfage and demurrage imposed under chapter 266
7 that is paid to the department of transportation;

8 (4) Amounts received by an employee benefit plan by way of
9 contributions, dividends, interest, and other income;
10 and amounts received by a nonprofit organization or
11 office, as payments for costs and expenses incurred
12 for the administration of an employee benefit plan;
13 provided that this exemption shall not apply to any
14 gross rental income or gross rental proceeds received
15 after June 30, 1994, as income from investments in
16 real property in this State; and provided further that
17 gross rental income or gross rental proceeds from
18 investments in real property received by an employee
19 benefit plan after June 30, 1994, under written
20 contracts executed prior to July 1, 1994, shall not be
21 taxed until the contracts are renegotiated, renewed,



1 or extended, or until after December 31, 1998,
2 whichever is earlier. For the purposes of this
3 paragraph, "employee benefit plan" means any plan as
4 defined in title 29 United States Code section
5 1002(3), as amended;

6 (5) Amounts received for purchases made with United States
7 Department of Agriculture food coupons under the
8 federal food stamp program, and amounts received for
9 purchases made with United States Department of
10 Agriculture food vouchers under the Special
11 Supplemental Foods Program for Women, Infants and
12 Children;

13 (6) Amounts received by a hospital, infirmary, medical
14 clinic, health care facility, pharmacy, or a
15 practitioner licensed to administer the drug to an
16 individual for selling prescription drugs, hearing
17 aids, or prosthetic devices to an individual; provided
18 that this paragraph shall not apply to any amounts
19 received for services provided in selling prescription
20 drugs, hearing aids, or prosthetic devices. As used
21 in this paragraph:



1 "Prescription drugs" are those drugs defined
2 under section 328-1 and dispensed by filling or
3 refilling a written or oral prescription by a
4 practitioner licensed under law to administer the drug
5 and sold by a licensed pharmacist under section 328-16
6 or practitioners licensed to administer drugs;
7 provided that "prescription drugs" shall not include
8 cannabis or manufactured cannabis products authorized
9 pursuant to chapters 329 and 329D; and

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



- 1 (7) Taxes on transient accommodations imposed by chapter
- 2 237D and passed on and collected by operators holding
- 3 certificates of registration under that chapter;
- 4 (8) Amounts received as dues by an unincorporated
- 5 merchants association from its membership for
- 6 advertising media, promotional, and advertising costs
- 7 for the promotion of the association for the benefit
- 8 of its members as a whole and not for the benefit of
- 9 an individual member or group of members less than the
- 10 entire membership;
- 11 (9) Amounts received by a labor organization for real
- 12 property leased to:
- 13 (A) A labor organization; or
- 14 (B) A trust fund established by a labor organization
- 15 for the benefit of its members, families, and
- 16 dependents for medical or hospital care, pensions
- 17 on retirement or death of employees,
- 18 apprenticeship and training, and other membership
- 19 service programs.
- 20 As used in this paragraph, "labor organization" means
- 21 a labor organization exempt from federal income tax



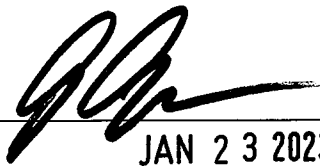
1 under section 501(c)(5) of the Internal Revenue Code,
2 as amended;
3 (10) Amounts received from foreign diplomats and consular
4 officials who are holding cards issued or authorized
5 by the United States Department of State granting them
6 an exemption from state taxes; and
7 (11) Amounts received as rent for the rental or leasing of
8 aircraft or aircraft engines used by the lessees or
9 renters for interstate air transportation of
10 passengers and goods. For purposes of this paragraph,
11 payments made pursuant to a lease shall be considered
12 rent regardless of whether the lease is an operating
13 lease or a financing lease. The definition of
14 "interstate air transportation" is the same as in 49
15 U.S.C. section 40102."

16 SECTION 2. New statutory material is underscored.

17 SECTION 3. This Act shall take effect on July 1, 2023.

18

INTRODUCED BY:



JAN 23 2023



H.B. NO. 935

Report Title:

General Excise Tax; Hearing Aids; Exemption; Deaf and Blind Task Force

Description:

Exempts from the general excise tax, gross receipts received from the sale of hearing aids.

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