

A Bill for an Act Relating to the Exemption of Local Development Companies from the General Excise Tax.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 117-20, Revised Laws of Hawaii 1955, is amended as follows:

a. The first paragraph of section 117-20 is amended by adding a new subsection to read as follows:

“(p) Local development companies incorporated under the laws of the State and approved by the Small Business Administration as qualifying for loans under section 502 of the Small Business Investment Act of 1958, as amended, provided that the exemption shall apply only with respect to gross income derived as interest on loans made to borrowers from loan funds obtained from the Small Business Administration but only if such loans are made at the same rates of interest payable to the Small Business Administration by the local development corporation.”

SECTION 2. This Act shall take effect on July 1, 1967.

(Approved May 2, 1967.)