

ACT 274

H.B. NO. 2235

A Bill for an Act Relating to Exemptions from the General Excise Tax of Sales and Gross Proceeds of Sales.

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

SECTION 1. Section 237-25, Hawaii Revised Statutes, is amended by amending the title and subsection (a) to read as follows:

“§237-25 Exemptions of sales and gross proceeds of sales to federal government[.], and credit unions. (a) Any provision of law to the contrary notwithstanding, there shall be exempted from, and excluded from the measures of, the tax imposed by chapter 237 all sales, and the gross proceeds of all sales, of:

- (1) Intoxicating liquor, as defined in chapter 281, hereafter sold by any person licensed under chapter 281 to the United States (including any agency or instrumentality [thereof] of the United States that is wholly owned or otherwise so constituted as to be immune from the levy of a tax under chapter 238 or 244D but not including national banks), or to any organization to which [such] that sale is permitted by the proviso of “Class 3” of section 281-31, located on any [army, navy, or air force] Army, Navy, or Air Force reservation, but the person making the sale shall nevertheless, within the meaning of chapters 237, 244D, and 281 be deemed to be a licensed seller.

- (2) Tobacco products and cigarettes, as defined in chapter 245, sold by any person licensed under the chapter to the United States (including any agency or instrumentality thereof that is wholly owned or otherwise so constituted as to be immune from the levy of a tax under chapter 238 or 245 but not including national banks), but the person making the sale shall nevertheless, within the meaning of chapters 237 and 245, be deemed to be a licensed seller.
- (3) Other tangible personal property hereafter sold by any person licensed under this chapter to the United States (including any agency [or], instrumentality, or federal credit union thereof but not including national banks), and to any state-chartered credit union, but the person making such sale shall nevertheless, within the meaning of this chapter, be deemed a licensed seller.
- (4) When the amount of property sold by a licensee turns upon the amount of the property sold through a vending machine or similar device to the customer using the device, there shall not be deemed to have occurred any sale covered by an exemption under paragraph (1), (2), or (3)."

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 1994.

(Approved July 5, 1994.)