

STAND. COM. REP. NO.

795

Honolulu, Hawaii

**FEB 14**

, 2025

RE: H.B. No. 1437

H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Education, to which was referred H.B. No. 1437 entitled:

"A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX EXEMPTIONS,"

begs leave to report as follows:

The purpose of this measure is to establish a general excise tax exemption on the gross proceeds or gross income received from sales of commodities or services that benefit nonprofit schools.

Your Committee received testimony in support of this measure from the Hawaii Association of Independent Schools; Le Jardin Academy; Kauai Christian Academy; Sacred Hearts Academy; Cavalry Chapel Christian School; Hongwanji Mission School; Montessori Community School; Hawaii Baptist Academy; Hanalani Schools; Holy Nativity School; Waimea Country School; 'Iolani School; and two individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that establishing a general excise tax exemption on the gross proceeds or gross income received from sales of commodities or services that benefit nonprofit schools will ensure that more resources remain within the educational community, ultimately benefiting students, teachers, and programs that enrich learning. Your Committee further finds that

2025-1931 HB1437 HD1 HSCR HMSO



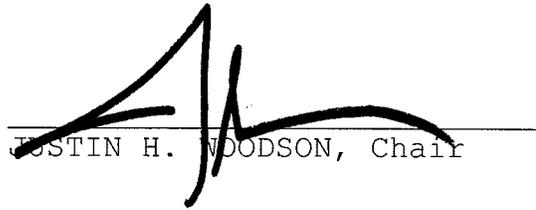
alleviating financial burdens associated with fundraising efforts will support nonprofit schools continue their missions of preparing future generations for success.

Your Committee has amended this measure by:

- (1) Clarifying that the nonprofit school be registered with the Department of Taxation;
- (2) Clarifying that the school-sponsored student activity group be a nonprofit school-sponsored activity group; and
- (3) Changing the effective date to January 1, 3000.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1437, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1437, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Education,



JUSTIN H. WOODSON, Chair

