
A BILL FOR AN ACT

RELATING TO THE GENERAL EXCISE TAX.

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

1 SECTION 1. Section 237-3, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:
3 "(b) The words "gross income" and "gross proceeds of
4 sales" shall not be construed to include: gross receipts from
5 the sale of securities as defined in 15 United States Code
6 section 78c or similar laws of jurisdictions outside the United
7 States, contracts for the sale of a commodity for future
8 delivery and other agreements, options, and rights as defined in
9 7 United States Code section 2 that are permitted to be traded
10 on a board of trade designated by the Commodities Futures
11 Trading Commission under the Commodity Exchange Act, or evidence
12 of indebtedness or, except as otherwise provided, from the sale
13 of the leasehold interest in land or the sale of land in fee
14 simple, improved or unimproved, dividends as defined by chapter
15 235; cash discounts allowed and taken on sales; the proceeds of
16 sale of goods, wares, or merchandise returned by customers when
17 the sale price is refunded either in cash or by credit; or the
18 sale price of any article accepted as part payment on any new

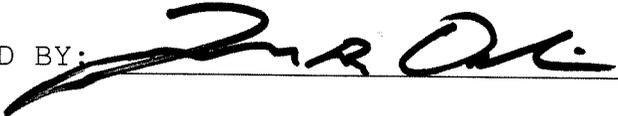


1 article sold, if the full sale price of the new article is
2 included in the "gross income" or "gross proceeds of sales";
3 gross receipts from the sale or transfer of materials or
4 supplies, interest on loans, or the provision of engineering,
5 construction, maintenance, or managerial services by one
6 "member" of an "affiliated public service company group" to
7 another "member" of the same group as such terms are defined in
8 section 239-2. Accounts found to be worthless and actually
9 charged off for income tax purposes may be deducted, at
10 corresponding periods, from gross proceeds of sale, or gross
11 income, within this chapter, so far as they reflect taxable
12 sales made, or gross income earned, after July 1, 1935, but
13 shall be added to gross proceeds of sale or gross income when
14 and if afterwards collected."

15 SECTION 2. New statutory material is underscored.

16 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: 

JAN 17 2007



Report Title:

General Excise Tax Exemption; Real Property

Description:

Exempts the sale of leasehold interests in real property from the general excise tax.

