
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. Chapter 237, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§237- Exemption of certain private hospitals;
5 verification; rules. (a) There shall be exempted from, and
6 excluded from the measure of, the taxes imposed by this chapter
7 all of the gross proceeds arising from the operation of a
8 private hospital in the State; provided that sixty per cent or
9 more of the annual patient population treated by the hospital
10 consists of uninsured, medicaid and medicare patients. For the
11 purposes of this section, "private hospital" means a private
12 institution with an organized medical staff, regulated under
13 section 321-11(10), that admits patients for inpatient care,
14 diagnosis, observation, and treatment.

15 (b) Annually, before June 30 of each year, the hospital
16 shall submit to the director of taxation verification that sixty
17 per cent or more of the hospital's prior annual patient
18 population consisted of medicaid or medicare patients.



- 1 (c) The director of taxation shall:
- 2 (1) Prepare forms as necessary to be used to verify the
- 3 exemption; and
- 4 (2) Adopt rules in accordance with chapter 91 to carry out
- 5 the effect of this section."

6 SECTION 2. New statutory material is underscored.

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

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Report Title:

GET Exemption; Hospitals; Medicaid/Medicare Patients

Description:

Exempts a private hospital from the general excise tax provided that 60% or more of the hospital's patient population consists of Medicaid and Medicare patients. Requires hospital to submit verification to department of taxation. Requires department of taxation to adopt rules.

