A BILL FOR AN ACT

RELATING TO THE REPEAL OF TAXES ON FOOD.

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- (a) Exemption for food. There shall be exempted			
5	from, and excluded from the measure of, the taxes imposed by			
6	this chapter all of the gross proceeds or income arising from			
7	the manufacture, production, packaging, and sale of food items			
8	within the State.			
9	(1) As used in this section, "food items" means any			
10	food or food product for home consumption except			
11	alcoholic beverages, tobacco, and food products			
12	prepared at the place of sale or at another location			
13	and sold primarily for immediate or nearly immediate			
14	consumption, and:			
15	(A) In the case of those persons who are sixty			
16	years of age or over or who receive supplemental			
17	security income benefits under Title XVI of the			
18	Social Security Act (42 U.S.C. §1381 et seq.),			
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1	and their spouses, includes meals prepared by and
2	served in senior citizens' centers, apartment
3	buildings occupied primarily by senior citizens,
4	private nonprofit establishments (eating or
5	otherwise) that feed senior citizens, private
6	establishments that contract with the appropriate
7	agency of the State to offer meals for senior
8	citizens at concessional prices, and meals
9	prepared for and served to residents of federally
10	subsidized housing for the elderly;
11	(B) In the case of persons sixty years of age or
12	over and persons who are physically or mentally
13	handicapped or otherwise so disabled that they
14	are unable to adequately prepare all of their
15	meals, includes meals prepared for and delivered
16	to them and their spouses at their home by a
17	public or private nonprofit organization or by a
18	private establishment that contracts with the
19	appropriate state agency to perform meal services
20	at concessional prices;
21	(C) In the case of narcotics addicts or
22	alcoholics served by drug addiction or alcoholic



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1	treatment and rehabilitation programs, includes
2	meals prepared and served under rehabilitation
3	programs;
4	(D) In the case of disabled or blind recipients
5	of benefits under Title II or title XVI of the
6	Social Security Act (42 U.S.C. §§401 et seq.,
7	1381 et seq.) who are residents in a public or
8	private nonprofit group living arrangement that
9	serves not more than sixteen residents and is
10	certified by the appropriate state agency or
11	agencies under regulations issued under section
12	1616(e) of the Social Security Act (42 U.S.C.
13	§1382(e)(1), includes meals prepared and served
14	under the arrangement; and
15	(E) In the case of women and children
16	temporarily residing in public or private
17	nonprofit shelters for battered women and
18	children, includes meals prepared and served by
19	the residential shelters.
20	The phrase "food items" may be further defined by the
21	department of taxation through the enumeration of items in rules
22	or informational releases, provided that the department shall
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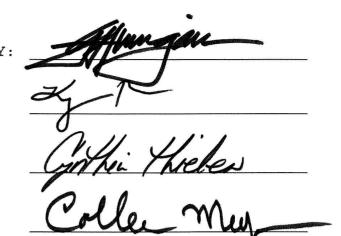
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1	consult w	ith the federal Food and Nutrition Service of the
2	United St	ates Department of Agriculture in further defining the
3	phrase "f	ood items" for food stamp purposes.
4	SECT	ION 2. Section 237-8.6, Hawaii Revised Statutes, is
5	amended b	y amending subsection (d) to read as follows:
6	" (d)	No county surcharge on state tax shall be established
7	on any:	
8	(1)	Gross income or gross proceeds taxable under this
9		chapter at the one-half per cent tax rate;
10	(2)	Gross income or gross proceeds taxable under this
11		chapter at the 0.15 per cent tax rate; [or
12	-(3)]	(3) Gross proceeds or income arising from the
13		manufacture, production, packaging, and sale of food
14		items within the State, as defined in chapter 237-
15		<u>; or</u>
16	(4)	Transactions, amounts, persons, gross income, or gross
17		proceeds exempt from tax under this chapter."
18	SECT	ION 3. Statutory material to be repealed is bracketed
19	and stric	ken. New statutory material is underscored.
20	SECT	ION 4. This Act, upon its approval, shall apply to
21	taxable y	ears beginning after December 31, 2007.

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INTRODUCED BY:



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Report Title: Taxation

Description: Repeals taxes on food

