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# A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX EXEMPTIONS.

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

1           SECTION 1. The purpose of this act is to help reduce the  
2 impact of the general excise tax, and to encourage healthy  
3 eating habits and the success of local agriculture. By  
4 incentivizing the production and consumption of healthy and  
5 locally grown foods, this Act promotes health among Hawaii  
6 residents and supports the local economy.

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

10           "§237-           Exemption for select healthy foods. (a) There  
11 shall be exempted from, and excluded from the measure of, the  
12 taxes imposed by this chapter all of the gross proceeds or  
13 income arising from the manufacture, production, packaging, and  
14 sale of the following food items within the State:

- 15           (1) Fresh fruits;  
16           (2) Fresh Vegetables;  
17           (3) Water;



1        (4) Nuts;

2        (5) Seeds; and

3        (6) Nut butters.

4        (b) For the purposes of this section:

5        "Fresh fruits" means produce in fresh form generally  
6        considered as perishable fruits, whether or not packed in ice or  
7        held in common or cold storage.

8        "Fresh vegetables" means produce in fresh form generally  
9        considered as perishable vegetables, whether or not packed in  
10       ice or held in common or cold storage.

11       "Nut Butters" means ground nuts blended to make a paste or  
12       spread.

13       "Nuts" means a fruit consisting of hard or tough shell  
14       around an edible kernel.

15       "Seeds" means the grains or ripened ovules of fruits,  
16       vegetables, or plants such as sunflower seeds, flax seeds,  
17       pumpkin seeds, mixed nuts without sugared candies.

18       "Water" means drinking water that has no added sugar or  
19       artificial sweeteners. It includes artisan, fluoridated,  
20       mineral, purified, sparkling, spring, or sterile (distilled)  
21       water."



1 SECTION 3. 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 for locally grown food and food  
5 products. There shall be exempted from, and excluded from the  
6 measure of, the taxes imposed by this chapter all of the gross  
7 proceeds or income arising from the manufacture, production,  
8 packaging, and sale of food and food products grown or  
9 cultivated in the State. This includes, but is not limited to,  
10 locally farmed meat, eggs, vegetables, and fruit, as well as  
11 food and food products that are labeled "made in Hawaii",  
12 "produced in Hawaii"."

13 SECTION 3. New statutory material is underscored.

14 SECTION 4. This Act shall take effect on July 1, 2017.

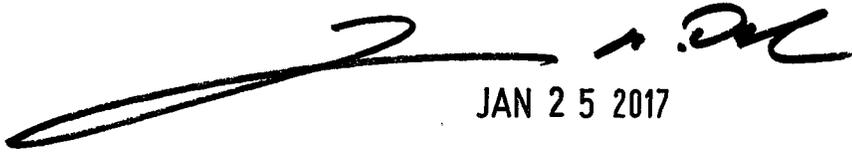
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H.B. NO. 1502

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JAN 25 2017



# H.B. NO. 1582

**Report Title:**

General Excise Tax Exemption; Healthy Foods; Locally Grown or Produced Food

**Description:**

Provides a general excise tax exemption for the gross proceeds or income arising from the manufacture, production, packaging, and sale of select healthy foods in the State; as well as a general excise tax exemption for locally grown or produced foods.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

