
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Chapter 237, Hawaii Revised Statutes, is
2 amended by adding two new sections to be appropriately
3 designated and to read as follows:

4 "§237- Exemption of food items. (a) There shall be
5 exempted from, and excluded from the measure of, the taxes
6 imposed by this chapter all of the gross proceeds or income
7 arising from the manufacture, production, packaging, and sale of
8 food items within the State.

9 (b) As used in this section, "food items" means any food
10 or food product for home consumption except alcoholic beverages,
11 tobacco, and food products prepared at the place of sale or at
12 another location and sold primarily for immediate or nearly
13 immediate consumption. In the case of those persons who are
14 sixty-five years of age or older or who receive supplemental
15 security income benefits under title XVI of the Social Security
16 Act (42 U.S.C. §1381 et seq.), and their spouses, "food items"
17 includes meals prepared by and served in senior citizens'



1 centers, apartment buildings occupied primarily by senior
2 citizens, private nonprofit establishments (eating or otherwise)
3 that feed senior citizens, private establishments that contract
4 with the appropriate agency of the State to offer meals for
5 senior citizens at concessional prices, and meals prepared for
6 and served to residents of federally subsidized housing for the
7 elderly.

8 The phrase "food items" may be further defined by the
9 department of taxation by rule through the enumeration of items
10 in rules or informational releases; provided that the department
11 of taxation shall consult with the federal Food and Nutrition
12 Service of the United States Department of Agriculture in
13 further defining the phrase "food items" for the purposes of the
14 federal supplemental nutrition assistance program.

15 §237- Exemption of over-the-counter nonprescription
16 medications. (a) There shall be exempted from, and excluded
17 from the measure of, the taxes imposed by this chapter all of
18 the gross proceeds or income arising from the sale of over-the-
19 counter nonprescription medications.

20 (b) For purposes of this section, "over-the-counter
21 nonprescription medications" means drugs or medications that can



H.B. NO. 882

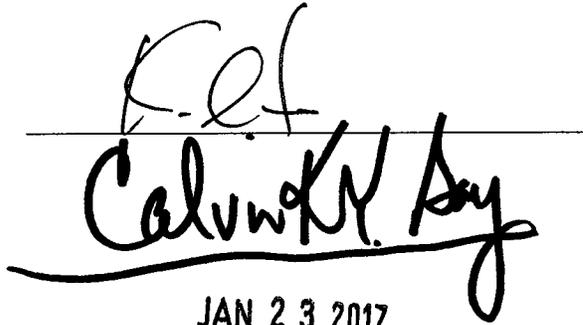
1 be purchased without a prescription (for example, aspirin, cough
2 syrup, and laxatives)."

3 SECTION 2. New statutory material is underscored.

4 SECTION 3. This Act shall take effect on July 1, 2017.

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INTRODUCED BY:


A handwritten signature in black ink, appearing to read "Calvin M. Ay", is written over a horizontal line. Above the signature, the initials "C.M.A." are written in a smaller, cursive hand.

JAN 23 2017



H.B. NO. 882

Report Title:

General Excise Tax; Exemptions; Food; Drugs

Description:

Exempts food and over-the-counter nonprescription medications from the general excise tax.

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

