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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1       SECTION 1. Hawaii depends heavily on air service for  
2       transportation, medical supplies and other medical needs, and  
3       commercial goods. As an island state, residents depend on air  
4       service for the transport of passengers, goods, and services  
5       among islands. Inter-island travel is a key component of  
6       Hawaii's tourism industry and stimulates tourism, the largest  
7       single contributor to the State's gross domestic product.

8       According to the Hawaii tourism authority, visitors to the  
9       State spend in excess of \$1,200,000,000 per month. The  
10      legislature finds that there is an increase in the use of  
11      helicopters, as well as single engine and propeller aircraft, in  
12      the State for travel, recreational, and medical needs. However,  
13      despite the significant function of helicopters and other types  
14      of aircraft to air travel in the State, only aircraft that  
15      operate with two or more jet engines are afforded certain tax  
16      exemptions. Due to changes in the aviation industry and  
17      increased travel options, taxes levied on aviation businesses



1 must be updated to promote greater inter-island travel options  
2 for visitors and residents, as well as to meet the interests of  
3 the State.

4 The purpose of this Act is to create equity among the types  
5 of aircraft in the State eligible for the aircraft service and  
6 maintenance facility general excise tax exemption in section  
7 237-24.9, Hawaii Revised Statutes.

8 SECTION 2. Section 237-24.9, Hawaii Revised Statutes, is  
9 amended by amending the definition of "aircraft" in subsection  
10 (b) to read as follows:

11 "Aircraft" means any craft or artificial contrivance of  
12 whatever description engaged in intrastate, interstate, or  
13 international scheduled commercial use as defined in chapter  
14 263 [~~that operates with two or more jet engines~~]."

15 SECTION 3. Statutory material to be repealed is bracketed  
16 and stricken.

17 SECTION 4. This Act shall take effect on July 1, 2030.



**Report Title:**

General Excise Tax; Aircraft Service and Maintenance Facility;  
Exemption

**Description:**

Amends the definition of "aircraft" under section 237-24.9, Hawaii Revised Statutes, to remove language that limits the definition to craft that operate with two or more jet engine, thereby expanding the types of aircraft eligible for the aircraft service and maintenance facility general excise tax exemption. Takes effect on 7/1/2030. (SD1)

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