

JAN 17 2018

A BILL FOR AN ACT

RELATING TO TAX EXEMPTION.

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

1 SECTION 1. The purpose of this Act is to establish a
2 statewide general excise tax exemption for the costs of food and
3 health care.

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

7 "§237- Amounts not taxable for food products and food
8 ingredients. (a) The excise tax assessed under this chapter
9 shall not apply to amounts received from the sale of food
10 products or food ingredients.

11 (b) As used in this section:

12 "Alcoholic beverages" means beverages that are suitable for
13 human consumption and contain one-half of one per cent or more
14 alcohol by volume.

15 "Dietary supplement" means any product, other than tobacco,
16 intended to supplement the diet that:



- 1 (1) Contains one or more of the following dietary
2 ingredients:
- 3 (A) A vitamin;
4 (B) A mineral;
5 (C) An herb or other botanical element;
6 (D) An amino acid;
7 (E) A dietary substance for use by humans to
8 supplement a person's diet by increasing the
9 total dietary intake; or
- 10 (F) A concentrate, metabolite, constituent, extract,
11 or combination of any ingredient described in
12 this definition;
- 13 (2) Is intended for ingestion in tablet, capsule, powder,
14 softgel, gelcap, or liquid form, or if not intended
15 for ingestion in such form, is not represented as
16 conventional food and is not represented for use as a
17 sole item of a meal or of a diet; and
- 18 (3) Is required to be labeled as a dietary supplement,
19 identifiable by the "supplement facts" box found on
20 the label as required pursuant to title 21 Code of



1 Federal Regulations section 101.36, as amended or
2 renumbered.

3 "Food ingredient" means any substance purchased by a
4 consumer to be cooked, baked, combined, or otherwise prepared
5 with one or more other food ingredients to create a food
6 product. "Food ingredient" does not include alcoholic
7 beverages, dietary supplements, or tobacco.

8 "Food product" has the same meaning as in section 145D-1.
9 "Food product" does not include alcoholic beverages, dietary
10 supplements, or tobacco.

11 "Tobacco" means cigarettes, cigars, chewing or pipe
12 tobacco, or any other item that contains tobacco.

13 (c) The director of taxation shall adopt rules pursuant to
14 chapter 91 for the purpose of this section, including any time
15 limitation for the exemptions.

16 §237- Amounts not taxable for health care services. (a)
17 The excise tax assessed under this chapter shall not apply to
18 amounts received as compensation for health care services.

19 (b) For purposes of this section, "health care services"
20 has the same meaning as in section 334B-2.



S.B. NO. 2031

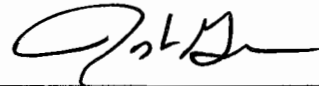
1 (c) The director of taxation shall adopt rules pursuant to
2 chapter 91 for the purpose of this section, including any time
3 limitation for the exemption."

4 SECTION 3. New statutory material is underscored.

5 SECTION 4. This Act shall apply to taxable years beginning
6 after December 31, 2018.

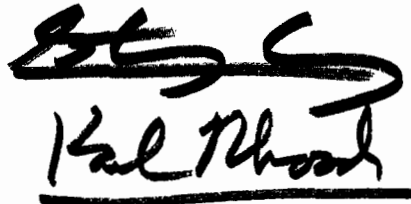
7

INTRODUCED BY:













S.B. NO. 2031

Report Title:

General Excise Tax; Exemption; Food Product; Food Ingredient;
Health Care Services

Description:

Exempts all amounts received from the sale of food products and ingredients, except alcohol, tobacco, and dietary supplements, and received as compensation for health care services from the general excise tax. Applies to taxable years beginning after 12/31/2018.

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

