
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. 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 for eligible groceries. (a) There
5 shall be exempted from, and excluded from the measure of, the
6 taxes imposed by this chapter all of the gross proceeds or
7 income received from the sale of all groceries eligible for
8 purchase under the Supplemental Nutrition Assistance Program and
9 Special Supplemental Nutrition Program for Women, Infants, and
10 Children within the State, regardless of the means of purchase
11 and the eligibility of the purchaser for Supplemental Nutrition
12 Assistance Program or Special Supplemental Nutrition Program for
13 Women, Infants and Children benefits.

14 (b) For purposes of this section:

15 "Food" or "food product" means substances, whether in
16 liquid, concentrated, solid, frozen, dried, or dehydrated form,



1 that are sold for ingestion or chewing by humans and are
2 consumed for their taste or nutritional value.

3 "Groceries" means any food or food product for home
4 consumption. The term "groceries" may be further defined by the
5 department by rule through the enumeration of items in rules or
6 tax informational releases; provided that the department shall
7 consult with the federal Food and Nutrition Service of the
8 United States Department of Agriculture in further defining the
9 term "groceries" for purposes of the Supplemental Nutrition
10 Assistance Program and Special Supplemental Nutrition Program
11 for Women, Infants, and Children.

12 §237- Exemption for nonprescription drugs. (a) There
13 shall be exempted from, and excluded from the measure of, the
14 taxes imposed by this chapter all of the gross proceeds or
15 income received from the sale of nonprescription drugs.

16 (b) As used in this section:

17 "Drug" means:

18 (1) Articles recognized in the official United States
19 Pharmacopoeia, official United States Pharmacopoeia
20 Dispensing Information, official Homeopathic



1 Pharmacopoeia of the United States, or official
2 National Formulary, or any supplement to any of them;

3 (2) Articles intended for use in the diagnosis, cure,
4 mitigation, treatment, or prevention of disease in
5 humans or animals;

6 (3) Articles (other than food or clothing) intended to
7 affect the structure or any function of the body of
8 humans or animals; or

9 (4) Articles intended for use as a component of any
10 article specified in paragraph (1), (2), or (3);
11 provided that the term "drug" shall not include
12 devices or their components, parts or accessories,
13 cosmetics, or liquor as defined in section 281-1.

14 "Nonprescription drug" means any packaged, bottled, or
15 nonbulk chemical, drug, or medicine that may be lawfully sold
16 without a practitioner's order."

17 SECTION 2. New statutory material is underscored.



H.B. NO. 27

1 SECTION 3. This Act shall take effect on January 1, 2022.

2

INTRODUCED BY:

T. Steh.

JAN 20 2021



Report Title:

General Excise Tax; Supplemental Nutrition Assistance Program; Special Supplemental Nutrition Program for Women, Infants, and Children; Groceries; Nonprescription Drugs; Exemption

Description:

Establishes a general excise tax exemption for the gross proceeds or income from the sale of groceries that are eligible under the Supplemental Nutrition Assistance Program (SNAP) or Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), regardless of the means of purchase and the SNAP or WIC eligibility of the purchaser. Establishes a general excise tax exemption for the gross proceeds or income from the sale of nonprescription drugs.

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