

JAN 22 2021

A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

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

1 SECTION 1. 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- Amounts not taxable for food or food ingredients.

5 (a) The excise tax assessed under this chapter shall not apply
6 to amounts received for food or food ingredients.

7 (b) Excise taxes assessed on alcoholic beverages, dietary
8 supplements, prepared food, and tobacco shall not be exempt from
9 this chapter pursuant to this section.

10 (c) As used in this section:

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

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

16 (1) Contains one or more of the following dietary
17 ingredients:



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- 1 (A) A vitamin;
2 (B) A mineral;
3 (C) An herb or other botanical element;
4 (D) An amino acid; or
5 (E) A dietary substance for use by humans to
6 supplement a person's diet by increasing the
7 total dietary intake; or a concentrate,
8 metabolite, constituent, extract, or combination
9 of any ingredient described in this definition;
10 (2) Is intended for ingestion in tablet, capsule, powder,
11 softgel, gelcap, or liquid form, or if not intended
12 for ingestion in such form, is not represented as
13 conventional food and is not represented for use as a
14 sole item of a meal or of a diet; and
15 (3) Is required to be labeled as a dietary supplement,
16 identifiable by the "Supplement Facts" box found on
17 the label as required pursuant to title 21 Code of
18 Federal Regulations section 101.36, as amended or
19 renumbered.
20 "Food" or "food ingredients" means substances, whether in
21 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. "Food" or "food
3 ingredients" does not include food or food ingredients sold from
4 a vending machine, whether cold or hot; alcoholic beverages;
5 dietary supplements; prepared food; or tobacco.

6 "Prepared food" means:

7 (1) Food sold in a heated state or heated by the seller;

8 (2) Food sold with eating utensils provided by the seller,

9 including plates, bowls, chopsticks, knives, forks,

10 spoons, glasses, cups, napkins, or straws. A plate

11 does not include a container or packaging used

12 exclusively to transport the food; or

13 (3) Two or more food ingredients mixed or combined by the

14 seller for sale as a single item, except:

15 (A) Food that is only cut, repackaged, or pasteurized

16 by the seller; or

17 (B) Raw eggs, fish, meat, poultry, or foods

18 containing these raw animal foods requiring

19 cooking by the consumer as recommended by the

20 federal Food and Drug Administration in chapter

21 3, part 401.11 of the Food Code, published by the



1 Food and Drug Administration, as amended or
2 renumbered, to prevent foodborne illness.

3 "Prepared food" does not include food sold in an unheated state
4 by weight or volume as a single item or bakery items, such as
5 bread, rolls, buns, biscuits, bagels, croissants, pastries,
6 donuts, Danish, cakes, tortes, pies, tarts, muffins, bars,
7 cookies, or tortillas.

8 "Tobacco" includes cigarettes, cigars, chewing or pipe
9 tobacco, or any other item that contains tobacco."

10 SECTION 2. New statutory material is underscored.

11 SECTION 3. This Act, upon its approval, shall apply to
12 taxable years beginning after December 31, 2020.

13

INTRODUCED BY: Mike Hubbard



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Report Title:

General Excise Tax; Food; Exemption

Description:

Provides a general excise tax exemption for certain food or food ingredients.

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