
A BILL FOR AN ACT

RELATING TO THE TAXATION OF FRUITS AND VEGETABLES.

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

1 SECTION 1. The legislature finds that about 442,000, or
2 41.5 per cent, of the adult population in the State are
3 considered prediabetic. According to the Diabetes Report Card
4 2019 published by the Centers for Disease Control and
5 Prevention, 154,356, which is 13.1 per cent or one out of every
6 nine, of the adult population in the State have diabetes.
7 Roughly ten thousand people in Hawaii are diagnosed with
8 diabetes every year. Research by the John A Burns school of
9 medicine shows that 22.4 per cent of native Hawaiians are
10 diagnosed with diabetes mellitus, and another fifteen per cent
11 have been diagnosed with impaired glucose tolerance or
12 prediabetic status. Other studies have also shown that Pacific
13 Islanders are disproportionately affected by diabetes. It was
14 reported in 2019 that Hawaii was ranked fifth in the nation for
15 the highest rate of increase, at forty-two per cent, in
16 prevalence of diabetes over a ten-year period. The legislature
17 notes that diabetes not only affects the health of residents but



1 is also financially taxing, as people with diabetes have medical
2 expenses approximately 2.3 times higher than those who do not
3 have diabetes.

4 The legislature further finds that eating fruits and
5 vegetables is known to prevent and control type two diabetes. A
6 study published in 2015 in the Journal of Diabetes Investigation
7 concludes that a higher intake of fruit, especially berries,
8 green leafy vegetables, yellow vegetables, cruciferous
9 vegetables, or their fibers, is associated with a lower risk of
10 type two diabetes. Another study done in 2020 found that a diet
11 high in fruits and vegetables may help reduce the risk of
12 developing type two diabetes by fifty per cent.

13 The legislature believes that to help protect residents
14 from diabetes and reduce residents' medical costs due to
15 diabetes, the State should incentivize the consumption of fruits
16 and vegetables.

17 Accordingly, the purpose of this Act is to establish a
18 general excise tax exemption for the gross proceeds or income
19 from the sale of fresh fruits and vegetables.



SECTION 2. Chapter 237, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§237- Additional exemptions; fresh fruits and vegetables. In addition to the amounts exempt under section 237-24, this chapter shall not apply to the amounts received from the sale of fresh fruits and vegetables within the State."

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2022.

INTRODUCED BY:



JAN 21 2022



H.B. NO. 1904

Report Title:

General Excise Tax Exemption; Fresh Fruits and Vegetables

Description:

Establishes a general excise tax exemption to the amounts received from the sale of fresh fruits and vegetables.

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