
A BILL FOR AN ACT

RELATING TO THE GENERAL EXCISE TAX.

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

1 SECTION 1. Act 47, Session Laws of Hawaii 2024, is amended
2 by amending section 2 to read as follows:

3 "SECTION 2. Section 237-24.3, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§237-24.3 Additional amounts not taxable.** In addition to
6 the amounts not taxable under section 237-24, this chapter shall
7 not apply to:

8 (1) Amounts received from the loading, transportation, and
9 unloading of agricultural commodities shipped for a
10 producer or produce dealer on one island of this State
11 to a person, firm, or organization on another island
12 of this State. The terms "agricultural commodity",
13 "producer", and "produce dealer" shall be defined in
14 the same manner as they are defined in section 147-1;
15 provided that agricultural commodities need not have
16 been produced in the State;



- 1 (2) Amounts received by the manager, submanager, or board
2 of directors of:
- 3 (A) An association of a condominium property regime
4 established in accordance with chapter 514B or
5 any predecessor thereto; or
- 6 (B) A nonprofit homeowners or community association
7 incorporated in accordance with chapter 414D or
8 any predecessor thereto and existing pursuant to
9 covenants running with the land,
10 in reimbursement of sums paid for common expenses;
- 11 (3) Amounts received or accrued from:
- 12 (A) The loading or unloading of cargo from ships,
13 barges, vessels, or aircraft, including
14 stevedoring services as defined in section 382-1,
15 whether or not the ships, barges, vessels, or
16 aircraft travel between the State and other
17 states or countries or between the islands of the
18 State;
- 19 (B) Tugboat services including pilotage fees
20 performed within the State, and the towage of



1 ships, barges, or vessels in and out of state
2 harbors, or from one pier to another;
3 (C) The transportation of pilots or governmental
4 officials to ships, barges, or vessels offshore;
5 rigging gear; checking freight and similar
6 services; standby charges; and use of moorings
7 and running mooring lines; and
8 (D) Wharfage and demurrage imposed under chapter 266
9 that is paid to the department of transportation;
10 (4) Amounts received by an employee benefit plan by way of
11 contributions, dividends, interest, and other income;
12 and amounts received by a nonprofit organization or
13 office, as payments for costs and expenses incurred
14 for the administration of an employee benefit plan;
15 provided that this exemption shall not apply to any
16 gross rental income or gross rental proceeds received
17 after June 30, 1994, as income from investments in
18 real property in this State; and provided further that
19 gross rental income or gross rental proceeds from
20 investments in real property received by an employee
21 benefit plan after June 30, 1994, under written

1 contracts executed prior to July 1, 1994, shall not be
2 taxed until the contracts are renegotiated, renewed,
3 or extended, or until after December 31, 1998,
4 whichever is earlier. For the purposes of this
5 paragraph, "employee benefit plan" means any plan as
6 defined in title 29 United States Code section
7 1002(3), as amended;

8 (5) Amounts received for purchases made with United States
9 Department of Agriculture food coupons under the
10 federal food stamp program, and amounts received for
11 purchases made with United States Department of
12 Agriculture food vouchers under the Special
13 Supplemental Foods Program for Women, Infants and
14 Children;

15 (6) Amounts received by a hospital, infirmary, medical
16 clinic, health care facility, pharmacy, or a
17 practitioner licensed to administer the drug to an
18 individual for selling prescription drugs or
19 prosthetic devices to an individual; provided that
20 this paragraph shall not apply to any amounts received



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1 for services provided in selling prescription drugs or
2 prosthetic devices. As used in this paragraph:

3 "Prescription drugs" are those drugs defined
4 under section 328-1 and dispensed by filling or
5 refilling a written or oral prescription by a
6 practitioner licensed under law to administer the drug
7 and sold by a licensed pharmacist under section 328-16
8 or practitioners licensed to administer drugs;
9 provided that "prescription drugs" shall not include
10 cannabis or manufactured cannabis products authorized
11 pursuant to chapters 329 and 329D; and

12 "Prosthetic device" means any artificial device
13 or appliance, instrument, apparatus, or contrivance,
14 including their components, parts, accessories, and
15 replacements thereof, used to replace a missing or
16 surgically removed part of the human body, which is
17 prescribed by a licensed practitioner of medicine,
18 osteopathy, or podiatry and that is sold by the
19 practitioner or that is dispensed and sold by a dealer
20 of prosthetic devices; provided that "prosthetic
21 device" shall not mean any auditory, ophthalmic,



- 1 dental, or ocular device or appliance, instrument,
2 apparatus, or contrivance;
- 3 (7) Taxes on transient accommodations imposed by chapter
4 237D and passed on and collected by operators holding
5 certificates of registration under that chapter;
- 6 (8) Amounts received as dues by an unincorporated
7 merchants association from its membership for
8 advertising media, promotional, and advertising costs
9 for the promotion of the association for the benefit
10 of its members as a whole and not for the benefit of
11 an individual member or group of members less than the
12 entire membership;
- 13 (9) Amounts received by a labor organization for real
14 property leased to:
- 15 (A) A labor organization; or
16 (B) A trust fund established by a labor organization
17 for the benefit of its members, families, and
18 dependents for medical or hospital care, pensions
19 on retirement or death of employees,
20 apprenticeship and training, and other membership
21 service programs.



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1 As used in this paragraph, "labor organization" means
2 a labor organization exempt from federal income tax
3 under section 501(c)(5) of the Internal Revenue Code,
4 as amended;

5 (10) Amounts received from foreign diplomats and consular
6 officials who are holding cards issued or authorized
7 by the United States Department of State granting them
8 an exemption from state taxes;

9 (11) Amounts received as rent for the rental or leasing of
10 aircraft or aircraft engines used by the lessees or
11 renters for interstate air transportation of
12 passengers and goods. For purposes of this paragraph,
13 payments made pursuant to a lease shall be considered
14 rent regardless of whether the lease is an operating
15 lease or a financing lease. The definition of
16 "interstate air transportation" is the same as in 49
17 U.S.C. section 40102; and

18 (12) Amounts received by a hospital, infirmary, medical
19 clinic, health care facility, or pharmacy, ~~[or]~~ a
20 medical or dental practitioner, or a nurse
21 entrepreneur, for healthcare-related goods or services



1 purchased under the medicare, medicaid, or TRICARE
2 programs. For the purposes of this paragraph, the
3 healthcare-related services need not be performed by a
4 medical or dental practitioner but may be performed by
5 a physician's assistant, nurse, or other employee
6 under the medical or dental practitioner's direction.

7 As used in this paragraph:

8 "Medicaid" means the program established under
9 Title XIX of the Social Security Act of 1935, as
10 amended;

11 "Medical or dental practitioner" means a
12 physician or osteopathic physician licensed pursuant
13 to chapter 453; a dentist licensed under chapter 448;
14 an advanced practice registered nurse licensed
15 pursuant to chapter 457; or a pharmacist licensed
16 pursuant to chapter 461;

17 "Medicare" means the program established under
18 Title XVIII of the Social Security Act of 1935, as
19 amended; and



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1 "TRICARE" means the program of the Department of
2 Defense military health system managed by the Defense
3 Health Agency, or any successor program."

4 SECTION 2. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 3. This Act shall take effect upon its approval.

7

INTRODUCED BY: 

JAN 21 2025



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Report Title:

General Excise Tax; Nurse Entrepreneurs; Exemption; Medicare; Medicaid; TRICARE

Description:

Exempts from the general excise tax amounts received by a nurse entrepreneur for health care-related goods and services purchased under Medicaid, Medicare, or TRICARE.

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