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## A BILL FOR AN ACT

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RELATING TO GENERAL EXCISE TAX EXEMPTION.

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

1       SECTION 1.   Section 237-24.75, Hawaii Revised Statutes, is  
2 amended to read as follows:

3       "**§237-24.75   Additional exemptions.**   In addition to the  
4 amounts exempt under section 237-24, this chapter shall not  
5 apply to:

- 6       (1)   Amounts received as a beverage container deposit  
7           collected under chapter 342G, part VIII;
- 8       (2)   Amounts received by the operator of the Hawaii  
9           convention center for reimbursement of costs or  
10          advances made pursuant to a contract with the Hawaii  
11          tourism authority under section 201B-7; [and]
- 12       (3)   Amounts received by a professional employer  
13           organization that is registered with the department of  
14          labor and industrial relations pursuant to chapter  
15          373L, from a client company equal to amounts that are  
16          disbursed by the professional employer organization  
17          for employee wages, salaries, payroll taxes, insurance



1 premiums, and benefits, including retirement,  
2 vacation, sick leave, health benefits, and similar  
3 employment benefits with respect to covered employees  
4 at a client company; provided that this exemption  
5 shall not apply to amounts received by a professional  
6 employer organization after:

7 (A) Notification from the department of labor and  
8 industrial relations that the professional  
9 employer organization has not fulfilled or  
10 maintained the registration requirements under  
11 this chapter; or

12 (B) A determination by the department that the  
13 professional employer organization has failed to  
14 pay any tax withholding for covered employees or  
15 any federal or state taxes for which the  
16 professional employer organization is  
17 responsible.

18 As used in this paragraph, "professional employer  
19 organization", "client company", and "covered  
20 employee" shall have the meanings provided in  
21 section 373L-1[-]; and



1       (4) Amounts received by a contractor licensed under  
2       chapter 444 for services performed as a general  
3       engineering contractor, general building contractor,  
4       or specialty contractor in a county having a  
5       population of more than one hundred twenty-five  
6       thousand but less than one hundred eighty-five  
7       thousand."

8       SECTION 2. Statutory material to be repealed is bracketed  
9       and stricken. New statutory material is underscored.

10       SECTION 3. This Act, upon its approval, shall apply to  
11       taxable years beginning after December 31, 2025.

12  
INTRODUCED BY: 

JAN 22 2025



# H.B. NO. 1215

**Report Title:**

General Excise Tax Exemption; Contractors

**Description:**

Exempts from the general excise tax, amounts received by a contractor for contracting work performed in a county having a population of more than one hundred twenty-five thousand but less than one hundred eighty-five thousand.

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

