
A BILL FOR AN ACT

RELATING TO TAXATION.

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 groceries. There shall be
5 exempted from, and excluded from the measure of, the taxes
6 imposed by this chapter all of the gross proceeds or gross
7 income received or derived from the sale of groceries.

8 For the purposes of this section, "groceries" means
9 products eligible to be purchased with the United States
10 Department of Agriculture's Supplemental Nutrition Assistance
11 Program benefits.

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 gross
15 income received or derived from the sale of nonprescription
16 drugs.

17 (b) For the purposes of this section:



1 "Drug" means:

2 (1) Articles recognized in the official United States
3 Pharmacopoeia, official United States Pharmacopoeia
4 Dispensing Information, official Homeopathic
5 Pharmacopoeia of the United States, or official
6 National Formulary, or any supplement to any of these
7 publications;

8 (2) Articles intended for use in the diagnosis, cure,
9 mitigation, treatment, or prevention of disease in
10 humans or animals;

11 (3) Articles, other than food or clothing, intended to
12 affect the structure or any function of the body of
13 humans or animals; or

14 (4) Articles intended for use as a component of any
15 article specified in paragraphs (1) through (3);

16 "Drug" does not include devices or their components, parts or
17 accessories, cosmetics, or liquor as defined in section 281-1.

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



1 "Practitioner" means an individual licensed by the State or
2 authorized by the laws of the State to prescribe prescription
3 drugs within the scope of the person's practice."

4 SECTION 2. New statutory material is underscored.

5 SECTION 3. This Act shall take effect on December 31,
6 2050.



S.B. NO. 1043
S.D. 2

Report Title:

General Excise Tax; Groceries; Nonprescription Drugs; Exemption

Description:

Exempts the sale of groceries and nonprescription drugs from the general excise tax. Effective 12/31/2050. (SD2)

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