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# A BILL FOR AN ACT

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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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