

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



GOV. MSG. NO. 1120

EXECUTIVE CHAMBERS  
KE KE'ENA O KE KIA'ĀINA

May 19, 2026

The Honorable Ronald D. Kouchi  
President of the Senate,  
and Members of the Senate  
Thirty-Third State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura  
Speaker, and Members of the  
House of Representatives  
Thirty-Third State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on May 19, 2026, the following bill was signed into law:

H.B. NO. 1688, H.D. 1, S.D. 2,  
C.D. 1

RELATING TO A GENERAL EXCISE TAX  
EXEMPTION FOR AIRCRAFT MAINTENANCE.  
**ACT 020**

Mahalo,

A handwritten signature in black ink that reads "Josh Green M.D.".

Josh Green, M.D.  
Governor, State of Hawai'i

# A BILL FOR AN ACT

RELATING TO A GENERAL EXCISE TAX EXEMPTION FOR AIRCRAFT  
MAINTENANCE.

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

1           SECTION 1. The legislature finds that many states,  
2 including Arizona, California, Colorado, Connecticut, Florida,  
3 Georgia, Iowa, Kansas, Massachusetts, Minnesota, New York, North  
4 Carolina, Ohio, Pennsylvania, Texas, and Wisconsin, explicitly  
5 exempt aircraft parts from their sales tax if sold to an air  
6 carrier. In Hawaii, there is an exemption in the general excise  
7 tax law for aircraft servicing and maintenance. However, the  
8 Hawaii Intermediate Court of Appeals has recently decided that  
9 the exemption language does not exempt from the general excise  
10 tax the sale of parts to an air carrier, even though the  
11 complementary use tax law explicitly exempts from the use tax  
12 imports of these parts from an out-of-state seller.

13           To correct this imbalance, recognize the critical  
14 importance of the airline industry to the State, and ensure  
15 competitiveness with other states in attracting and maintaining  
16 aircraft maintenance jobs and facilities, the purpose of this



1 Act is to provide a general excise tax exemption for the sale of  
2 material, parts, or tools that are used for aircraft service and  
3 maintenance or for the construction of an aircraft service and  
4 maintenance facility.

5 SECTION 2. Section 237-24.9, Hawaii Revised Statutes, is  
6 amended by amending its title and subsection (a) to read as  
7 follows:

8 **"§237-24.9 Aircraft service [~~and~~], maintenance**  
9 **facility[-], and sale of related materials.** (a) This chapter  
10 shall not apply to amounts received from the servicing and  
11 maintenance of aircraft [~~or~~], from the construction of an  
12 aircraft service and maintenance facility in the State[-], or  
13 from the sale of material, parts, or tools to an air carrier, as  
14 defined by the Federal Aviation Act of 1958, if they are  
15 purchased for aircraft service and maintenance or for the  
16 construction of an aircraft service and maintenance facility."

17 SECTION 3. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on January 1, 2027.



H.B. NO. 1688  
H.D. 1  
S.D. 2  
C.D. 1

APPROVED this 19th day of May, 2026

A handwritten signature in black ink, appearing to read "Josh Green". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

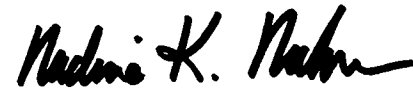
GOVERNOR OF THE STATE OF HAWAII

HB No. 1688, HD 1, SD 2, CD 1

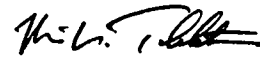
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 6, 2026  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2026.



Nadine K. Nakamura  
Speaker  
House of Representatives

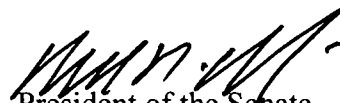


Brian L. Takeshita  
Chief Clerk  
House of Representatives

**THE SENATE OF THE STATE OF HAWAI‘I**

Date: May 6, 2026  
Honolulu, Hawai‘i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Third Legislature of the State of Hawai‘i, Regular Session of 2026.



President of the Senate



Clerk of the Senate