
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The legislature finds that Hawaii has one of
2 the highest costs of living in the nation, placing a heavy
3 financial burden on working families. The legislature further
4 finds that the general excise tax on the sale of certain
5 essential products, such as groceries and nonprescription drugs,
6 disproportionately impacts low- and moderate-income families.
7 While completely eliminating these taxes would also eliminate
8 their regressive impact on taxpayers, the legislature recognizes
9 that the State's fiscal needs would not be met with the
10 significant decrease in revenue that would result from full
11 exemptions from the general excise tax.

12 Accordingly, the purpose of this Act is to reduce the
13 general excise tax rate imposed on nonprescription drugs by one
14 half.

15 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
16 amended by adding one new section to be appropriately designated
17 and to read as follows:



1 "§237- Rate for nonprescription drugs. (a) The rate
2 of taxes imposed by this chapter on all of the gross proceeds or
3 gross income received or derived from the sale of
4 nonprescription drugs shall be one half of the rate imposed by
5 section 237-13(9).

6 (b) For the purposes of this section, "nonprescription
7 drug" has the same meaning as in section 328-1."

8 SECTION 3. New statutory material is underscored.

9 SECTION 4. This Act shall take effect on July 1, 3000.



Report Title:

General Excise Tax; Nonprescription Drugs; Reduced Rate

Description:

Reduces the general excise tax rate imposed on nonprescription drugs by one half. Effective 7/1/3000. (HD1)

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