

ACT 135

H.B. NO. 2436-74

A Bill for an Act Relating to Taxation of Public Utilities.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 239-5, Hawaii Revised Statutes, is amended by adding a new subsection to be designated as subsection (c) and to read as follows:

“(c) Notwithstanding subsection (a), the rate of tax upon the portion of the gross income of a public utility which consists of the receipts from the sale of its products or services to another public utility which resells such products or services shall be one-half of one percent, provided that the resale is subject to taxation under this section, and provided further that the public utility’s exemption from real property taxes imposed by chapter 246 shall be reduced by the proportion that its public utility gross income described herein bears to its total public utility gross income. Whenever the public utility has other public utility gross income the gross income from the sale of its products or services to another public utility shall be included in applying subsection (a) in determining the rate of tax upon the other public utility gross income.”

SECTION 2. New material is underscored. In printing this Act, the revisor of statutes need not include the underscoring.*

SECTION 3. This Act shall take effect upon its approval.

(Approved June 3, 1974.)

*Edited accordingly.