

ACT 228

S.B. NO. 712

A Bill for an Act Relating to Taxation.

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

SECTION 1. Section 239-11, Hawaii Revised Statutes, is amended to read as follows:

“§239-11 Exemption of certain contract carriers. (a) There shall be exempted and excluded from the measure of the tax imposed by this chapter [on] the gross income from any contract carrier by water which is engaged primarily in the business of transporting persons between harbors or wharves of the various counties for interisland cruises within the State; provided that such exemption shall be applicable for the period July 1, 1981, to June 30, [1991.] 1996.

(b) Any contract carrier and related partners, if any, claiming an exemption under subsection (a) shall submit an annual financial report, prepared by an independent certified public accountant, to the department of taxation and to the department of business, economic development, and tourism on or before the fifteenth day of the fifth month following the close of each taxable year for which the exemption is being claimed; provided that in addition to reports in 1992, 1993, 1994, and 1995, an annual financial report shall be due on or before March 1, 1996. The annual financial report, prepared in a form approved by the director of taxation, shall include but not be limited to:

- (1) A balance sheet of assets and liabilities;
- (2) A statement of income and expenses;
- (3) Supplementary information to financial statements;
- (4) A summary of financial condition; and
- (5) An apportionment of income and expenses of the contract carrier and related partners, if any, within and without the State.

Within thirty days of the receipt of the financial report from the contract carrier and related partners, if any, the director of taxation shall submit relevant financial data to the legislature. Failure to comply with this subsection by the contract carrier or related partners, if any, as determined by the director of taxation, shall constitute a waiver of the right to claim the exemption.”

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

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

(Approved June 6, 1991.)