

ACT 247

S.B. NO. 2065

A Bill for an Act Relating to the General Excise Tax.

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

SECTION 1. Chapter 237, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§237- Exemption for sale of tangible personal property for resale at wholesale. (a) There shall be exempted from, and excluded from the measure of, the taxes imposed by this chapter all of the gross proceeds or gross income arising from the sale of tangible personal property imported to Hawaii from a foreign or domestic source to a licensed taxpayer for subsequent resale for the purpose of wholesale as defined under section 237-4.

(b) The department, by rule, may provide that a seller may take from the purchaser of imported tangible personal property, a certificate, in a form that the department shall prescribe, certifying that the purchaser of the imported tangible personal property shall resell the imported tangible personal property at wholesale as defined under section 237-4. Any purchaser who furnishes a certificate shall be obligated to pay to the seller, upon demand, if the sale in fact is not a sale for the purpose of resale at wholesale, the amount of the additional tax which by reason thereof is imposed upon the seller. The absence of a certificate, unless the sales of the business are exclusively a sale for the purpose of resale at wholesale, in itself, shall give rise to the presumption that the sale is not a sale for the purpose of resale at wholesale.”

SECTION 2. New statutory material is underscored.¹

SECTION 3. This Act shall take effect on July 1, 1998.

(Approved July 20, 1998.)

Note

1. Edited pursuant to HRS §23G-16.5.