HOUSE OF REPRESENTATIVES
TWENTY-FOURTH LEGISLATURE, 2008
STATE OF HAWAII

H.B. NO. 2885

A BILL FOR AN ACT

RELATING TO TAXES.

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 food and medical services.** (a) There shall be exempted from, and excluded from the measure of, the taxes imposed by this chapter all of the gross proceeds arising from the sale of food and medical services.

(b) For the purposes of this section:

"Food" means:

(1) Any food or food product for home consumption purchased at a grocery store, market, or open market;

(2) Seeds and plants for use in gardens to produce food for the personal consumption of the eligible household;

(3) In the case of those persons who are sixty years of age or over or who receive supplemental security income benefits or disability or blindness payments under Title I, II, X, XIV, or XVI of the Social

Security Act (42 U.S.C. 301 et seq., 401 et seq., 1201 et seq., 1351 et seq., 1381 et seq.) and their spouses, meals prepared by and served in senior citizens' centers, apartment buildings occupied primarily by such persons, public or private nonprofit establishments (eating or otherwise) that feed persons, private establishments that contract with the appropriate agency of the State to offer meals for persons at concessional prices, and meals prepared for and served to residents of federally subsidized housing for the elderly;

(4) In the case of persons sixty years of age or over and persons who are physically or mentally handicapped or otherwise so disabled that they are unable adequately to prepare all of their meals, meals prepared for and delivered to them (and their spouses) at their home by a public or private nonprofit organization or by a private establishment that contract with the appropriate State agency to perform such services at concessional prices;

(5) In the case of disabled or blind recipients of benefits under Title I, II, X, XIV, or XVI of the

Social Security Act (42 U.S.C. 301 et seq., 401 et seq., 1201 et seq., 1351 et seq., 1381 et seq.), who are residents in a public or private nonprofit group living arrangement that serves no more than sixteen residents and is certified by the appropriate state agency or agencies, meals prepared and served under such arrangement;

(6) In the case of women and children temporarily residing in public or private nonprofit shelters for battered women and children, meals prepared and served, by such shelters; and

(7) In the case of households that do not reside in permanent dwellings and households that have no fixed mailing addresses, meals prepared for and served by a public or private nonprofit establishment approved by an appropriate state or local agency that feeds such individuals and by private establishments that contract with the appropriate agency of the State to offer meals for such individuals at concessional prices;

Provided that "food" does not include alcoholic beverages and tobacco, or hot food products ready for immediate

consumption except for such products for individual households listed in paragraphs (3) to (7).

"Medical services" means:

(1) Professional services provided by hospitals and medical clinics and facilities that are licensed by the appropriate state agencies and services rendered under chapters 436E, 442, 447, 448, 448B, 451A, 451J, 452, 453, 453D, 455, 457, 457A, 457G, 458, 459, 460, 461, 461J, 463E, 465, 466J, and 468E; and

(2) Over the counter or prescription drugs."

SECTION 2. This Act shall not apply to foods purchased in restaurants or via restaurant delivery services other than those services specified in section 1, subsection (b) of this Act.

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval and apply to taxable years beginning after December 31, 2008.

INTRODUCED BY:

JAN 22 2008

Report Title:
Food and Medical Products; Tax Exemption

Description:
Provides an exemption from general excise taxes on certain food and medical products.