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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. Hawaii depends heavily on air service for  
2 transportation, medical supplies and other medical needs, and  
3 commercial goods. As an island state, residents depend on air  
4 service for the transport of passengers, goods, and services  
5 among islands. Inter-island travel is a key component of  
6 Hawaii's tourism industry and stimulates tourism, the largest  
7 single contributor to the State's gross domestic product.

8           According to the Hawaii tourism authority, visitors to the  
9 State spend in excess of \$1,200,000,000 per month. The  
10 legislature finds that there is a proliferation of helicopter  
11 use in the State for travel, recreational, and medical needs.  
12 However, despite the significant function of helicopters to air  
13 travel in the State, only traditional aircraft are afforded  
14 certain tax exemptions. Due to changes in the aviation industry  
15 and increased travel options, taxes levied on aviation  
16 businesses must be updated to promote inter-island travel



1 options for visitors and residents, and for the interests of the  
2 State.

3 The purpose of this Act is to create equity among the types  
4 of aircraft in the State by exempting from the general excise  
5 tax the amounts received for the servicing and maintenance of  
6 helicopters, and for the construction of helicopter service and  
7 maintenance facilities.

8 SECTION 2. Section 237-24.9, Hawaii Revised Statutes, is  
9 amended by amending the definition of "aircraft" in subsection  
10 (b) to read as follows:

11 "Aircraft" means any [~~craft~~]:

12 (1) Craft or artificial contrivance of whatever  
13 description engaged in intrastate, interstate, or  
14 international scheduled commercial use as defined in  
15 chapter 263, that operates with two or more jet  
16 engines[-]; or

17 (2) A helicopter."

18 SECTION 3. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect on July 1, 2030.



**Report Title:**

General Excise Tax; Exemption; Helicopter Servicing and Maintenance Facility

**Description:**

Amends the definition of "aircraft" under section 237-24.9, Hawaii Revised Statutes, to include helicopters. Exempts amounts received for the servicing and maintenance of helicopters and the construction of helicopter service and maintenance facilities from the general excise tax. (HB2007 HD1)

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