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# A BILL FOR AN ACT

RELATING TO EXCISE TAX ON HEALTH CARE.

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

1 SECTION 1. There shall be exempted from, and excluded from  
2 the measure of, the taxes imposed by chapter 237, Hawaii Revised  
3 Statutes, all of the gross proceeds arising from the operation  
4 of a private hospital in the State; provided that per cent  
5 or more of the annual patient population treated by the hospital  
6 consists of uninsured, medicaid, and medicare patients and the  
7 private hospital spends not less than \$ for capital  
8 improvements in Hawaii at the private hospital by December 31,

9 .  
10 For the purposes of this section, "private hospital" means  
11 a private institution with an organized medical staff, regulated  
12 under section 321-11(10), Hawaii Revised Statutes, that admits  
13 patients for inpatient care, diagnosis, observation, and  
14 treatment.

15 (b) Annually, before June 30 of each year, the private  
16 hospital shall submit to the director of taxation verification  
17 that per cent or more of the hospital's prior annual

1 patient population consisted of uninsured, medicaid, and  
2 medicare patients.

3 (c) The director of taxation shall prepare forms as  
4 necessary to be used to verify the exemption.

5 SECTION 2. This Act shall take effect on July 1, 2020;  
6 provided that section 1 of this Act shall apply to gross  
7 proceeds received on or after January 1, 2007, and on or before  
8 December 31, 2009.



**Report Title:**

General Excise Tax Exemption; Private Hospital Services

**Description:**

Exempts hospital services from the general excise tax for any private hospital; provided that a certain percentage or more of the annual patient population treated by the hospital consists of uninsured, medicaid, and medicare patients, and the hospital spends not less than a certain dollar amount for capital improvement projects at the hospital by a certain date. (SB11 HD2)

