(REV. 2022)

STATE OF HAWAII
DEPARTMENT OF TAXATION

GENERAL INSTRUCTIONS FOR FILING THE GENERAL EXCISE/USE TAX RETURNS

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REMINDER: A county surcharge on the State's general excise and use taxes is imposed on Hawaii taxpayers. Taxpayers MUST complete Part V of their periodic and annual general excise/use tax returns to assign their taxes to each county, or may be subject to a 10% penalty for noncompliance.

NOTE: Periodic general excise/use tax returns (Form G-45), the annual general excise/use tax return (Form G-49), and the Application for Extension of Time to File (Form GEW-TA-RV-6) can be filed and payments made electronically through the State's Internet portal. For more information, go to **hitax.hawaii.gov**.

Mailing Address Information

HAWAII DEPARTMENT OF TAXATION
P.O. BOX 1425
HONOLULU, HI 96806-1425

GENERAL EXCISE/USE TAX RETURNS GENERAL INSTRUCTIONS

(NOTE: ALL SECTION REFERENCES ARE TO THE HAWAII REVISED STATUTES (HRS) UNLESS OTHERWISE NOTED)

(NOTE: References to "married" and "spouse" are also references to "in a civil union" and "civil union partner," respectively.)

Changes You Should Note

- **Act 217, Session Laws of Hawaii 2022** – This act requires every person making payments to a loan-out company and claiming the tax credit pursuant to section 235-17, HRS, to withhold and pay to the Department, the GET at the highest rate on the services performed in the State.
- **Schedule GE and Form G-75 required with Forms G-45 and G-49 –** For periods beginning on or after July 1, 2017, the Department will enforce the requirement that a completed Schedule GE accompany any periodic and annual general excise tax (GET) return that is filed. If a taxpayer makes no claim for any GET exemptions, deductions, or other benefits reported on Schedule GE, then a completed Schedule GE is not required with the return. If a taxpayer fails to file a completed Schedule GE with the periodic or annual GET return, any exemptions, deductions, or other benefits claimed by the taxpayer will be denied by the Department. For periods beginning on or after July 1, 2017, the Department will also enforce the requirement that a completed Form G-75 accompany the GET return which reports income assigned to more than one district. When income is assigned to more than one district, the "MULTI" oval in Part V of Form G-45 or G-49 must be shaded. If a taxpayer does business in only one district in any period, and thus does not shade the "MULTI" oval, then a completed Form G-75 is not required to be filed with the return.
- **Schedule GE** – This form which is used to report exemptions has been revised. If you are claiming exemptions, please complete and attach Schedule GE (Form G-45/G-49) (Rev. 2021) to your Forms G-45 and G-49. Failing to use the most current form will result in the disallowance of your exemptions.

General Excise Tax

The GET is a privilege tax imposed on business activity in the State of Hawaii. The tax is imposed on the gross income received by the person engaging in the business activity. The GET applies to nearly every form of business activity. To determine whether the GET applies to a business activity, see the "General Excise/Use Tax Activity Classifications" in these instructions for a complete listing of activities to which the tax applies.

County Surcharge

Transactions attributable to a county that has adopted a county surcharge and subject to the state GET rate of 4% have a total rate of 4.5%. The county surcharge does not apply to activities taxed at the 0.5% rate (e.g., wholesaling) or the 0.15% rate for insurance commissions. If you do business on more than one island, you must complete Form G-75 and attach it to Forms G-45 and G-49. Form G-75 is used to report your taxable income for each type of business activity (e.g., wholesaling, retailing) in each taxation district (i.e., Oahu, Maui, Kauai, Hawaii) and to help you complete Part IV (county surcharge) and Part V (assignment of taxes by district) on Forms G-45 and G-49. See pages 10 and 15-16 for more information on completing Parts IV and V of Forms G-45 and G-49.

For more information on the county surcharge, see Department of Taxation Announcement Nos. 2005-11, 2006-15, 2006-17, 2018-14, 2018-15, 2019-04 or click on the link to the County Surcharge webpage from the Department of Taxation's homepage at **tax.hawaii.gov**.

Who Must File

Every person engaging in business in Hawaii is required to have a GET license and file the appropriate tax returns. These requirements apply to individuals, partnerships, corporations, disregarded entities, and all other legal entities regardless of the business' profits or losses. See the "General Excise/Use Tax Activity Classifications" in these instructions for a list of taxable activities.

Every person who uses in this State property, services, or contracting which are imported into Hawaii, regardless if at the time of importation, the property, services, or contracting is owned by the importer, purchased from a seller that does not have a GET license, or however acquired, must file a return to report use tax. If GET is also owed, they may be reported on the same form.

Under the General Excise and Use Tax Laws, "person" means every separate legal entity, even though it might not pay net income tax or file a net income tax return. For example, although a partnership that is doing business does not pay net income tax on the income it earns, the partnership (rather than its partners) is required to pay general excise and use tax. However, if the grantor of a revocable living trust reports all items of the trust's income on the grantor's individual net income tax return, the grantor rather than the trust will report and pay GET on the trust's income. See TIR No. 94-5 for more information. Furthermore, a taxpayer and spouse or partners in a civil union may file joint general excise and use tax returns.

Taxpayers registered for seller's collection of use tax must file Form G-45 for each month in which use tax is collected from their Hawaii customers; quarterly and semiannual filings are not permitted. A return does not need to be filed for those months in which no use tax is collected.

If you are required to have a GET license but fail to obtain one or you fail to file Form G-49 within 12 months of the prescribed due date, you may be denied GET benefits such as exemptions, deductions, or lower tax rates (section 237-9.3).

In most circumstances, GET returns do not have to be filed by:

- Individuals not engaged in business. If an individual's only business is performing personal services as an employee under the direction and control of an employer, returns are not required, but an individual who rents out real property or performs services as an independent contractor, even as a side business, must report and pay tax on that income.
- Financial institutions. A financial institution that is subject to the Franchise Tax Law (Chapter 241, HRS), and that earns only income that is taxable under that law, only needs to file a franchise tax return. See section 237-24.8 for more information.
- Public utilities owned and operated by the State or a political subdivision of it, or public service companies subject to the Public Service Company Tax Law (Chapter 239, HRS). If, however, a public service company receives income from directory advertising, interest income, or income not included in the measure of the tax imposed by Chapter 239, HRS, GET returns must be filed to report and pay tax on those amounts.
- Insurance companies subject to the insurance premiums tax (sections 431:7-201 to 431:7-205). If, however, an insurance company receives rents from investments in Hawaii real property, GET returns must be filed to report and pay tax on that income. See section 237-29.7 for more information.
- All nonprofit organizations are required to have a GET license and file GET returns. If you are required to have a GET license but fail to obtain one or you fail to file Form G-49 within 12 months of the prescribed due date, you may be denied GET benefits such as exemptions, deductions, or lower tax rates (section 237-9.3). For more information on the GET licensing and reporting requirements for nonprofits, see TIR Nos. 2010-05 and 2011-04. For more information on the GET exemptions for nonprofits, see Form G-6A. Fundraising activities (e.g., selling barbecued chicken, silent auctions) and activities unrelated to the organization's exempt purpose are taxable activities. See Tax Facts Nos. 98-3 and 99-4 for more information.

Resident or Nonresident?

Under the General Excise and Use Tax Laws, it does not matter if you are a resident, nonresident, or part-year resident.

Filing Frequency

The periodic returns (Form G-45) are used to report gross income, exemptions, and taxes due on business activities periodically. They must be filed throughout the year at specified intervals. The frequency you file depends on the amount of GET your business has to pay during the year.

- You must file monthly if you will pay more than $4,000 in GET per year.
- You may file quarterly if you will pay $4,000 or less in GET per year.
- You may file semiannually if you will pay $2,000 or less in GET per year.

If you are filing quarterly or semiannually and your tax liability is more than the amounts listed above, you must change your filing period.

To change your filing period, notify the Department of Taxation (Department) by filing **Form BB-1,** Basic Business Application.

Taxpayers filing more frequently than is required are filing returns that cannot be properly tracked. To address this, the Department will change the required filing frequency of taxpayers who file more frequently than is required.

If the total tax liability for the year does not exceed $100, the taxpayer is not required to file periodic returns (Form G-45) beginning after December 31, 2022.

What Forms to File

Registration & Licensing

Form BB-1 - Use this form to register for a GET license and any other state taxes that you may be subject to. When you register for GET, you will automatically be registered for use tax. The registration fee for a GET license is $20. You may also apply online through the Hawaii Business Express website at **hbe.ehawaii.gov** or **hitax.hawaii.gov**. You can also use this form to make changes to your license application (e.g. change your name, add/delete partners or corporate officers, or filing frequency).

Tax Return Forms

All filers must file periodic returns (Form G-45) throughout the year, and an annual return and reconciliation (Form G-49). You must also file Schedule GE (Form G-45/G-49) if you are claiming exemptions, and Form G-75 if you conducted business in more than one tax district. Please see the applicable sections below for more information.

Note: We recommend that you print a new form from our website **(tax.hawaii.gov)** each time you need it. The form's QR code is necessary to process the return. Excessive photocopying of a photocopy will degrade the QR code, and the QR code will become unreadable.

Form G-45 - All filers must file periodic returns based on their filing frequency. A monthly filer must file a Form G-45 every month, a quarterly filer must file a return for each quarter, and a semiannual filer must file a return for each semiannual period.

You must file a Form G-45 even if you do not have any gross income to report for the period. Just write a zero (0) in each column of your main business activity and also on the "Total Taxes Due" line. If your business activity has temporarily stopped, you may submit a written request to the Department to temporarily change the status of your license to inactive for up to two years. You must continue to file Form G-49 for each taxable year; however, it is not necessary to file Form G-45 while your license is inactive.

Note: If the total tax liability for the year does not exceed $100, the taxpayer is not required to file periodic returns (Form G-45) beginning after December 31, 2022.

Form G-49 - All filers must file an annual return and reconciliation (Form G-49) after the close of the taxable year. Form G-49 is a summary of your activity for the entire year. This return must be filed **in addition to** Form G-45.

Schedule GE (Form G-45/G-49) - If you are claiming exemptions on Forms G-45 and G-49, you must complete and attach Schedule GE (Form G-45/G-49) to Forms G-45 and G-49. If you do not attach this form to your Forms G-45 and G-49, your exemptions will be disallowed. Schedule GE (Form G-45/G-49) has been revised. Please use the current revision of Schedule GE (Form G-45/G-49) (Rev. 2021).

The schedules of exemptions and deductions may be found at the end of these instructions.

Form G-75 - If you did business in MORE THAN one District (the MULTI indicator should be darkened in Part V - Schedule of Assignment of Taxes By District on Forms G-45 and G-49), you will need to complete Form G-75, Schedule of Assignment of General Excise/Use Taxes By Districts. Form G-75 must be attached to Forms G-45 and G-49. If you do not attach this form to your Forms G-45 and G-49 you will be assessed the penalty for failure to file a return and a penalty of 10% on the tax and surcharge due. Please use the current revision of Form G-75 (Rev. 2019).

Amended Returns - If you filed your General Excise/Use Tax Return and later become aware of any changes to the reported income or exemptions, file the following forms, as applicable, to correct the return.

- File an amended return on **Form G-45** to change the Form G-45 you already filed. To designate that the form is an amended return, darken the oval at the top of page 1 of the Form G-45. Fill in the return with all of the correct information. Do **NOT** use this form if the General Excise/Use Tax Annual Return and Reconciliation, Form G-49, has already been filed for the tax year.
- File an amended return on **Form G-49**, to change the Form G-49 you already filed. To designate that the form is an amended return, darken the oval at the top of page 1 of the Form G-49. Fill in the return with all the correct information. If you are amending Form G-49, it is *not* necessary to also amend the associated Form G-45s.

Miscellaneous Forms

Form GEW-TA-RV-1 - If your business activity has stopped and you do not need your license again (e.g., you incorporated a sole proprietorship or you sold your business), you must cancel your GET license. Complete Form GEW-TA-RV-1, Notification of Cancellation, and send it with your license to the Department. You must file all returns up to the date of cancellation, including the annual return.

Form GEW-TA-RV-6 - If you are unable to meet the deadline for filing the annual return and reconciliation (Form G-49), you may submit a request for an extension to file on **Form GEW-TA-RV-6**. **Approval of an extension request is not automatic.** The extension of time to file is not an extension of time for payment. Your payment for any additional tax you estimate must be sent in with your extension request.

Form ITPS-COA - If you need to change your address, complete and submit Form ITPS-COA to the Department.

Form G-50 - Your GET license must be displayed at your place of business. If you have more than one business location or multiple business names (such as trade names or doing business as (DBA)), use this form to apply for a branch license. There is no charge for a branch license.

Electronic Funds Transfer (EFT)

Section 231-9.9 authorizes the Department to require those taxpayers whose tax liability for a particular tax exceeded $100,000 during the past year to pay that tax by EFT instead of by check. The Department reviews the filing records of taxpayers and will mail notices to taxpayers who met this criterion. Any taxpayer who does not meet the criterion may still voluntarily pay by EFT. For more information on paying taxes by EFT, please see TIR Nos. 95-6 and 99-1.

IMPORTANT: A penalty of 2% of the total tax will be assessed if a taxpayer who is required to make payments by EFT fails to timely do so. If an EFT payment is dishonored, a $25 service fee will be assessed.

Due Dates

- Form G-45 is due on or before the 20th day of the calendar month following the end of the filing period. For example, if your filing period ends on January 31st, then your return will be due on February 20th.
- Form G-49 is due on or before the 20th day of the fourth month following the close of the tax year. For taxpayers on a calendar year, this return will be due on April 20th.

NOTE: *If the prescribed due date falls on a Saturday, Sunday, or legal holiday, file by the next regular work day.*

If you file and/or pay late, you may have to pay penalties and interest. For more information, see **Penalties and Interest** below.

No extensions for filing the periodic Forms G-45 are allowed. If you are not able to determine the exact amount of your gross income for the period, estimate it as accurately as you can and file on that basis.

If you are unable to meet the deadline for filing the annual return and reconciliation (Form G-49), you may submit a request for an extension to file on **Form GEW-TA-RV-6**. **Approval of an extension request is not automatic.** The extension of time to file is not an extension of time for payment. Your payment for any additional tax you estimate must be sent in with your extension request.

Penalties and Interest

Late Filing of Return — The penalty for failure to file a return on time is assessed on the tax due at a rate of 5% per month, or part of a month, up to a maximum of 25%.

Failure to Pay Tax After Filing Timely Return — The penalty for failure to pay the tax after filing a timely return is 20% of the tax unpaid within 60 days of the prescribed due date.

Failure to Timely Pay by EFT — The penalty for failure to timely pay by EFT for taxpayers who are required to pay by EFT is 2% of the total tax.

Failure to File Electronically — The penalty for failure to file electronically is 2% of line 28 unless you obtain a waiver by filing Form L-110.

Failure to Complete Part V - Schedule of Assignment of Taxes By District on Forms G-45 and G-49 — The penalty for failure to complete Part V - Schedule of Assignment of Taxes By District on Forms G-45 and G-49 is 10% of the combined State and county surcharge taxes due on the return being filed.

Interest — Interest at the rate of 2/3 of 1% per month, or part of a month, shall be assessed on unpaid taxes and penalties beginning with the first calendar day after the date prescribed for payment, whether or not that first calendar day falls on Saturday, Sunday, or legal holiday.

Please check your return carefully. Additional penalties may be assessed if you make an underpayment of tax due to negligence, intentional disregard of the Department's rules, or fraud.

Where to File

Mail your general excise and use tax returns and payments to:

Hawaii Department of Taxation
P.O. Box 1425
Honolulu, HI 96806-1425

Forms G-45, G-49, and GEW-TA-RV-6 can be filed and payments made electronically through the State's Internet portal. For more information, go to **hitax.hawaii.gov**.

NOTE: *The Department requires taxpayers whose general excise tax liability exceeds $4,000 for the taxable year, to file returns electronically. Periodic general excise tax returns for months beginning on or after July 1, 2020 are required to be filed electronically. In addition, annual returns for taxable years beginning on or after January 1, 2020 are required to be filed electronically. See Tax Announcement No. 2019-16.*

Where to Get Forms, Instructions, and Publications

Forms, publications, and other documents, such as copies of Tax Information Releases and Administrative Rules issued by the Department, are available on the Department's website at **tax.hawaii.gov** or you may contact a customer service representative at:

Voice: 808-587-4242
1-800-222-3229 (Toll-Free)

Telephone for the Hearing Impaired:
808-587-1418
1-800-887-8974 (Toll-Free)

Fax: 808-587-1488

Mail: Taxpayer Services Branch
P.O. Box 259
Honolulu, HI 96809-0259

GENERAL INFORMATION ON THE GENERAL EXCISE TAX LAW

The GET is a tax imposed on the gross income you receive from any business activity you have in Hawaii. Gross income includes any cost passed on to the customer and represented to be the GET.

For example:

Retail sale price	$ 100.00
+ 4% tax (passed on)	+ 4.00
Charged to customer	$ 104.00

In this example, if there are no exemptions, the GET due on the gross income is $4.16, calculated as follows:

Gross income	$ 104.00
x Tax rate	x .04
General excise tax	$ 4.16

NOTE: Income earned from business conducted in a district with a surcharge and subject to the 4% GET rate is also subject to the 0.5% county surcharge.

Examples of Income You Must Report

- The gross amount of income you receive from the sale of goods or services. This includes the amount you receive for the sale of inventory property, even if you receive it because you sold your entire business.
- Bartering income, which is the fair market value of goods or services you received in return for your goods or services.
- Income that you received as a reimbursement for any costs spent on behalf of any customer or client, if you marked up the costs by any amount or if the costs were actually spent on your own business.

Other specific examples are found in each of the classifications below.

GENERAL INFORMATION ON THE USE TAX LAW

The use tax is an excise tax imposed on the landed value of property, services, or contracting imported into the State from an unlicensed out-of-state seller for use in the State, however the property is acquired. It does not matter if, at the time of importation, the property, services, or contracting is owned by the importer, or if the property is purchased from a seller that does not have a GET license. The landed value is the value an item has at the time it arrives in Hawaii. It includes the invoice price plus shipping, insurance, handling, licenses, customs duty, and other related costs. An offset of the use tax may be claimed for sales taxes paid to another state. See instructions for Use Tax and General Excise Tax Offset on page 6.

Property, services or contracting are not subject to use tax if either the GET or use tax has been previously paid on the property, services or contracting.

Examples of Property, Services, or Contracting You Must Report

- Cars, trucks, boats, or office machines that are imported for business or personal use, for retail sale, or for leasing.
- Articles such as clothing, electronics, or cameras that are imported from another state or a foreign country by a retailer for resale here.
- Heavy equipment, such as cranes, tractors, and earth movers that will be kept in the State for more than 365 days.
- Lumber imported by a contractor for use in a construction project.
- All services performed outside this State where the customer in this State uses, consumes or resells the service in this State.
- Contracting performed outside the State imported by a person who uses or consumes the value of the contracting in this State.
- Goods, services, or intangibles purchased from an out-of-state seller via the Internet where the customer in this State uses, consumes, or resells the goods, services, or intangibles in this State.

Examples of Property, Services, or Contracting That You Do Not Report

- Temporary use property that will be kept in the State for less than a year, such as construction equipment that will be removed upon completion of a construction contract. If any property is in Hawaii for a year or less, then it is considered temporarily in Hawaii. Perishable property, or quickly consumable property, does not qualify as temporary use property even if it is not consumed within the State before it spoils.
- Property received solely as a gift. Property purchased at a bargain, even from a friend or relative, does not qualify for this exclusion.
- Articles that are examined and then returned, such as goods that are returned after a trial period.
- Goods that are imported by the owner of vessels engaged in interstate commerce and that are used as ship stores for the vessels.
- Household goods, personal effects, and private automobiles if the person importing them into the State (A) acquired them outside Hawaii, (B) acquired them while the person was not a Hawaii resident, (C) acquired them for use outside Hawaii, and (D) made actual and substantial use of them outside Hawaii. An article that was acquired less than three months before importation to Hawaii is presumed to have been purchased for use within Hawaii, and, therefore, is presumed not to qualify for this exclusion.
- Newspapers, magazines, and other periodical publications purchased on a subscription plan that qualify for the second class mail rate.
- Certain intangibles. This includes currency, stocks, bonds, interest in land, or dividends as defined by chapter 235.
- Property, services, or contracting that have been previously subject to the Hawaii use tax.
- Property, services, or contracting purchased from a seller who was subject to the GET upon a sale or transfer of the property, services or contracting to the user.
- Services imported for resale to a foreign customer located outside the State, where the customer will use, consume, or resale the service outside the State.
- Aircraft that is kept solely for renting to lessees using the aircraft for commercial transportation of passengers or goods.
- Oceangoing vessels that are used by a public service company to provide transportation from one point in the State to another.
- The acquisition or importation of aircraft or aircraft engines by a lessee or renter engaged in interstate air transportation.

GENERAL EXCISE/USE TAX ACTIVITY CLASSIFICATIONS

(NOTE: ALL SECTION REFERENCES ARE TO THE HAWAII REVISED STATUTES UNLESS OTHERWISE NOTED)

PART I — GENERAL EXCISE and USE TAXES @ ½ OF 1% (.005)

Wholesaling

Wholesaling means any of the following activities:

(1) Selling tangible personal property to a licensed wholesaler, retailer, or other person who resells the property and does not use or consume it. For sales of tangible personal property to a service provider or to a person furnishing transient accommodations, see paragraph (8).

(2) Selling material or commodities to a licensed manufacturer, if the manufacturer incorporates that property into a finished or saleable product, the incorporated property remains perceptible to the senses in the product, and the manufacturer sells the product.

(3) Selling material or commodities to a licensed producer or a cooperative association, if the producer or co-op incorporates that property into a finished or saleable product, and the producer or co-op sells the product. This classification includes selling material or commodities that are essential to the planting, growth, nurturing, and production of agricultural, aquacultural, or natural resource products.

(4) Selling material or commodities to a licensed contractor, if the contractor incorporates that property into a finished work or project required by the contract, and the incorporated property remains perceptible to the senses in the finished work or project.

(5) Selling poultry feed, animal feed, hatching eggs, semen, replacement stock, or breeding services to a licensed producer or a cooperative association, if the producer or co-op sells the finished or saleable products raised or nurtured. This classification does not apply to feed for poultry or animals to be used for hauling, transportation, or sports purposes.

(6) Selling seed or seedstock for producing agricultural and aquacultural products, or bait for catching fish (including catching bait for catching fish), to a licensed producer or a cooperative association, if the producer or co-op sells the finished or saleable products raised or caught, or incorporates them into a manufactured product.

(7) Selling polypropylene shade cloth, polyfilm, or polyethylene film; cartons and other containers to package eggs, fruits, vegetables, and other agricultural and aquacultural products; seedlings and cuttings to produce nursery plants; or aquacultural products or chick containers to a licensed producer or a cooperative association, if the producer or co-op sells the finished or saleable products raised or nurtured.

(8) Selling tangible personal property to a licensed service provider or to a person furnishing transient accommodations, where: (A) the tangible personal property is sold upon the order or request of a licensed seller for the purpose of rendering a service in the course of the person's service business or calling, or upon the order or request of a person subject to tax under section 237D-2,

for the purpose of furnishing transient accommodations; (B) the tangible personal property becomes or is used as an identifiable element of the service rendered; and (C) the cost of the tangible personal property does not constitute overhead to the licensed seller.

(9) Selling capital goods which have a depreciable life to a licensed leasing company which then leases them to its customers.

(10) Selling bulk condiments or single-serving packets of condiments to a licensed retail merchant, jobber, or other licensed seller for use by their customers.

(11) Selling tangible personal property (including disposable nonreturnable containers, packages, or wrappers, in which a product is contained and that are generally known and most commonly used to contain food or beverage for delivery or transfer) to a licensed retail merchant, jobber, or other licensed seller where it will be incorporated or processed into the finished or saleable product during the course of its preparation to market.

(12) Selling magazines or printed materials containing advertisements by a printer to a publisher where the publisher is under contract with the advertisers to distribute a minimum number of magazines or similar printed materials to the public or defined segment of the public, whether or not there is a charge to the persons who actually receive the magazines or similar printed materials.

For specific legal requirements applicable to each of these classifications, see section 237-4, and the Hawaii Administrative Rules (HAR) under that section. A wholesaler may wish to document its status with respect to specific transactions by getting resale certificates from its clients. For specific requirements applicable to resale certificates, see section 18-237-13-02(d), HAR.

Manufacturing

NOTE: Sugar processing and pineapple canning should be reported on this line.

Manufacturing includes compounding, canning, preserving, packing, printing, publishing, milling, processing, refining, or otherwise preparing an article for sale, profit, or commercial use. Service providers that mill sugar cane, or mill sugar cane along with harvesting cane, hauling cane, or maintaining roads under a contract with a cane planter, should report gross receipts from these services on this line. For more information, see section 237-18(d).

Producing

Producing means the business of raising and producing agricultural products in their natural state, or producing natural resource products, or fishing or aquaculture, for sale or for shipment out of the State. Agricultural products include floricultural, horticultural, viticultural, forestry, nut, coffee, dairy, livestock, poultry, bee, animal, and any other farm, agronomic, or plantation products.

Income received from selling geothermal power to a public utility company for resale to the public should be reported on this line.

Wholesale Services

Sales of services are sales at wholesale whenever:

(1) Either:

- In the context of a service-to-service transaction, a service is rendered upon the order or request of a licensed seller for the purpose of rendering another service in the course of the seller's service business or calling; including a dealer's furnishing of goods or services to the purchaser of tangible personal property to fulfill a warranty obligation of the manufacturer of the property;
- In the context of a service-to-tangible personal property transaction, a service is rendered upon the order or request of a licensed seller for the purpose of manufacturing, producing, or preparing tangible personal property to be sold;
- In the context of a service-to-contracting transaction, a service is rendered upon the order or request of a licensed contractor as defined in section 237-6, for the purpose of assisting that licensed contractor; or
- In the context of a service-to-transient accommodations rental transaction, a service is rendered upon the order or request of a person subject to tax under section 237D-2, for the purpose of furnishing transient accommodations;

(2) The benefit of the service passes to the customer of the licensed seller, licensed contractor, or person furnishing transient accommodations;

(3) The cost of the service does not constitute overhead to the licensed seller, licensed contractor, or person furnishing transient accommodations;

(4) The gross income of the licensed seller is not divided between the licensed seller and another licensed seller, contractor, or person furnishing transient accommodations for imposition of the general excise tax;

(5) The gross income of the licensed seller is not subject to a deduction under the General Excise Tax Law or the Transient Accommodations Tax Law; and

(6) The resale of the service, tangible personal property, contracting, or transient accommodations is subject to the general excise tax at the highest tax rate.

If you are a service provider that mills or produces products under a contract with a manufacturer, you also should report your gross income from that activity on this line. For more information, see section 237-18(c).

Use Tax on Imports for Resale

Report in Column a the landed value of all tangible personal property or services imported for resale or for lease or rent, and deduct in Column b the value of the tangible personal property or services imported for subsequent resale at wholesale. For more information, see TIR 98-8.

A licensed manufacturer (see the instructions for Manufacturing), will report in Column a the landed value of all materials, services and commodities which are imported and incorporated into a manufactured product such that they remain perceptible to the senses in the finished or saleable product, and deduct in Column b the value of the materials, services and commodities imported and incorporated into a manufactured product which are subsequently sold at wholesale.

If the imported materials, services and commodities do not remain perceptible to the senses in the finished product, their value must be reported on Use Tax on Imports For Consumption rather than on this line.

A licensed contractor (see the instructions for Contracting), will report in Column a the landed value of all materials or services which are imported and incorporated into a finished work or project required by the contract such that they remain perceptible to the senses in the finished work or project. If the imported materials or services do not remain perceptible to the senses in the finished work or project, their value must be reported on Use Tax on Imports For Consumption rather than on this line.

Because you may not know whether the property or services imported will be sold at wholesale or retail at the time it is imported, you can do one of two things. First, you may report the value of all imports and pay use tax at 0.5%, and when you later know how much is sold at wholesale you may file an amended return and claim a refund of the appropriate amount of use tax you paid.

Second, you may choose one of four methods to compute the landed value of property imported for sale at wholesale. These methods are the direct cost method, the percentage of wholesale sales to total sales method, the gross profit percentage method, and any other method that correctly reflects your tax liability if it is first approved by the Department. See section 18-238-2, HAR, for more information and examples of these methods. One method must be used consistently between accounting periods unless the Department permits a change of method.

Use Tax Offset

A use tax offset may be claimed for taxes paid to another state on property, services or contracting imported into the State for resale. See the instructions under the *Use Tax and General Excise Tax Offset* section on page 6 for more information.

Business Activities of Disabled Persons

The qualifying person must have a completed Form N-172 on file with the Department in order to report on this line and claim the exemption. Report in Column a the gross income earned by the disabled person. As an exemption, report in Column b the first $2,000 of gross income earned by the disabled person from all activities combined. The net amount in Column c (Column a minus Column b) is subject to the GET at 0.5%.

PART II — GENERAL EXCISE and USE TAXES @ 4% (.04)

Retailing

Persons who sell property and who do not qualify for wholesale treatment report their gross sales here. Examples include sales to a retailer who uses rather than resells the goods sold, sales to an unlicensed seller, and sales to consumers.

Services Including Professional

Service providers, including those providing professional and transportation services, report their gross income on this line. A director, executor, trustee, or fiduciary is considered to be engaging in a profession if the person serves in four or more such capacities, or receives more than $1,200, in a taxable year.

The sale of services to the federal government by a service provider, including any tangible personal property furnished with the services rendered, is taxable. The tangible personal property furnished in the performance of services is subject to the tax even if the tangible personal property is separately stated or billed.

Technicians who supply dentists or physicians with dentures, orthodontic devices, braces, and similar items for the dentists' or physicians' patients report their gross sales from this activity on Wholesaling rather than on this line. (Section 237-15.)

Businesses that generate electric power and sell it to a public utility report their gross sales from this activity on Producing rather than on this line.

Contracting

Contractors report on this line. A contractor means:

(1) A person engaging in the business of contracting to erect, construct, repair, or improve buildings or structures, of any kind or description, or to make, construct, repair, or

improve any highway, road, street, sidewalk, ditch, excavation, fill, bridge, shaft, well, culvert, sewer, water system, drainage system, dredging or harbor improvement project, electric or steam rail, lighting or power system, transmission line, tower, dock, wharf, or other improvements;

(2) An architect, professional engineer, land surveyor, or landscape architect; or

(3) A pest control operator or fumigator.

Theater Amusement and Broadcasting

Income from operating a theater, opera house, vaudeville, amusement park, dance hall, skating rink, broadcasting station, or any other place where amusements are offered to the public, is reported on this line.

Selling amusements subject to taxation under section 237-13(4), to a licensed seller engaging in business or calling whenever: (A) either: (i) in the context of an amusement-to-service transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of rendering another service in the course of the seller's service business or calling; (ii) in the context of an amusement-to-tangible personal property transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of selling tangible personal property; or (iii) in the context of an amusement-to-amusement transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of rendering another amusement in the course of the person's amusement business; (B) the benefit of the amusement passes to the customer of the licensed seller as an identifiable element of the other service, tangible personal property to be sold, or amusement; (C) the cost of the amusement does not constitute overhead to the licensed seller; (D) the gross income of the licensed seller is not divided between the licensed seller and another licensed seller, person furnishing transient accommodations, or person rendering an amusement for imposition of tax under chapter 237, HRS; (E) the gross income of the licensed seller is not subject to a deduction under chapter 237, HRS; and (F) the resale of the service, tangible personal property, or amusement is subject to the tax imposed under chapter 237, HRS, at the highest rate.

Commissions

A commission is the compensation of an agent, factor, broker, or bailee, usually calculated as a percentage on the amount of the transactions or on the profit to the principal. Note that if an agent receives commissions and then shares it with subagents, the amounts paid to the subagents generally are NOT deductible by the agent. For brokers and agents, section 237-18(e), HRS allows each person to pay tax on the person's portion of the commission and no more.

Transient Accommodations Rentals

This line is used to report gross rentals that are also taxed under the Transient Accommodations Tax Law, Chapter 237D, HRS. Charges to transients that are not rentals, such as cancellation fees, charges for food and beverage, and service charges should be reported on other lines.

Travel Agent/Tour Packager

If a travel agent or tour packager divides income with an operator of transient accommodations pursuant to section 237-18(g), the travel agent or tour packager shall report its share of the gross income on Line 13, Transient Accommodations Rentals. The operator of transient accommodations shall continue to report its share of the gross income on Line 13, Transient Accommodations Rentals.

Other Rentals

This line is used to report gross rentals that are not also taxed under the Transient Accommodations Tax Law, Chapter 237D, HRS, such as long-term rentals, equipment rentals, and all other types of lease or rental agreements.

Interest and All Others

Interest and gross income from business activities not mentioned in the list above, excluding insurance commissions, are reported here.

Interest is reported on this line if it is earned by a person engaged in the business of lending money, such as a department store that charges interest on revolving charge accounts, or if the interest is earned from the investment of business capital. Unless the recipient can clearly show otherwise, all interest that is earned by for-profit corporations or partnerships (including unincorporated business associations such as a hui), and all interest that is earned in a business account of a sole proprietorship, estate, or trust, must be reported on this line. For more information, see TIR Nos. 42-74 and 94-1.

Examples of gross income from business activities not mentioned in the list above are: sales of advertising space in a publication, royalties, payments received in exchange for a covenant not to compete, or insurance proceeds to replace gross income that would have been subject to the tax if earned.

General Excise Tax Offset

A GET offset may be claimed for taxes paid to another state on property, services or contracting imported into the State for resale. See the instructions under the *Use Tax and General Excise Tax Offset* section on this page for more information.

Use Tax on Imports For Consumption

All property, services, or contracting that are imported by any person without a GET license is reported here, unless an exemption applies. A use tax offset may be claimed for taxes paid to another state on property, services or contracting imported into the State for resale. See the instructions under the *Use Tax and General Excise Tax Offset* section on this page for more information.

All other property, services, or contracting that do not qualify for exemption or reporting on the line for Use Tax on Imports For Resale is reported here. For example, the landed value of polishing compounds which a manufacturer imports and consumes in the manufacturing process is reported on this line since the polishing compounds do not remain perceptible to the senses in the finished product.

PART III — Insurance Commissions @ 0.15%

Persons licensed under Chapter 431, HRS, as an insurance producer report their insurance commissions in this Part.

PART IV — County Surcharge

Use this Part to report **taxable** income from Part II, Column c.

USE TAX AND GENERAL EXCISE TAX OFFSET

Use Tax on Imports For Resale and Use Tax on Imports For Consumption

Column b

A use tax and GET offset may be claimed for taxes paid to another state on property, services or contracting imported into the State for resale.

CAUTION: *Taxes paid for manufacturing, extraction, and the like, as well as license fees or transfer taxes, MAY NOT be taken as a credit against Hawaii use taxes due.*

The following steps should be taken to claim the offset when reporting the use tax on the Forms G-45 and G-49.

Offset the use tax:

Step 1– Enter the value of the imported property in Column a of Use Tax on Imports For Resale or Use Tax on Imports for Consumption, as applicable, and determine the exact amount of use tax due on that property.

Step 2– Compare the use tax due (Step 1) with the sales or use tax paid to another state on that property. Divide the LESSER of the two amounts by the applicable tax rate, and enter the result in Column b.

Step 3– Subtract Column b from Column a, and enter the result in Column c.

Offset the general excise tax:

Step 4– Enter the gross income from the sale of the imported property in Column a of the applicable line, and determine the exact amount of GET due on that property.

Step 5– Subtract the use tax due on that property (Step 1) from the sales or use tax paid to another state on that item.

Step 6– Compare the GET due (Step 4) with the remaining sales or use tax paid (Step 5). Divide the LESSER of the two amounts by 0.005 or 0.04, as applicable, and enter the result in Column b.

Step 7– Subtract Column b from Column a, and enter the result in Column c.

EXAMPLE

Taxpayer A purchases widgets in State X on which $125 of sales tax is paid, and imports the widgets into Hawaii for resale at retail. The landed value of the widgets is $1,500, and they are sold at retail for $2,700.

Step 1– $1,500 x 0.005 = $7.50

Step 2– $7.50 ÷ 0.005 = $1,500

Step 3– $1,500 - $1,500 = $0

Step 4– $2,700 x 0.04 = $108

Step 5– $125 – $7.50 = $117.50

Step 6– $108 ÷ 0.04 = $2,700

Step 7– $2,700 - $2,700 = $0.00

STEP-BY-STEP INSTRUCTIONS FOR FILLING IN YOUR FORM G-45 (PERIODIC RETURN)

(The circled numbers in the figures correspond to the steps in the instructions.)

A periodic general excise/use tax return (Form G-45), including an amended return, can be filed and payment made electronically through the State's Internet portal. For more information, go to tax.hawaii.gov/eservices/.

About this Form

Form G-45 is designed for electronic scanning that permits faster processing with fewer errors. To avoid delays:

1. Print amounts only on those lines that are applicable.
2. Use only a black or dark blue ink pen. Do not use red ink, pencils, felt tip pens, or erasable pens.
3. Because this form is read by a machine, please print your numbers inside the boxes like this:

1	2	3	4	5	6	7	8	9	0	X

4. Do NOT print outside the boxes.
5. Fill in ovals completely. Do not ✓ or ✕ the ovals.
6. Do NOT enter cents. All numbers that are required to be rounded to the nearest dollar should **NOT** be printed over the zeros used to designate cents.
7. Do NOT use dollar signs, slashes, dashes or parentheses in the boxes.
8. We recommend that you print a new form from our website (**tax.hawaii.gov**) each time you need it. The form's QR code is necessary to process the return. Excessive photocopying of a photocopy will degrade the QR code, and the QR code will become unreadable.
9. Please use a color printer and print in color.

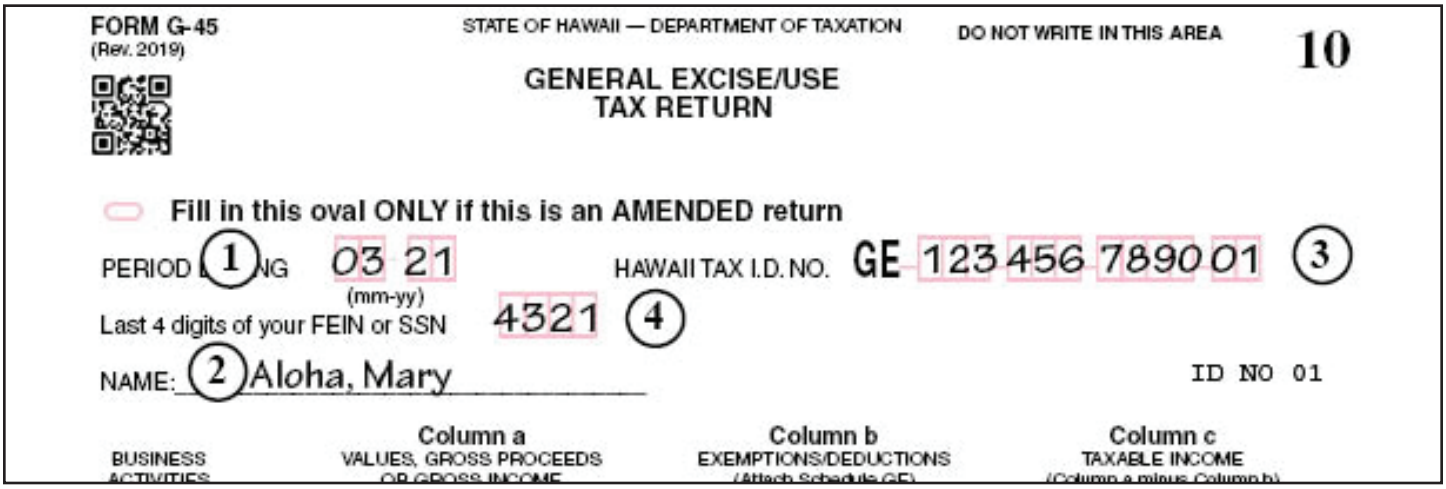
Rounding to Whole Dollars in Columns a, b, and c

The Department is requiring taxpayers to round off cents to the nearest whole dollar for all dollar entries in Columns a, b, and c. To do so, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example: $1.49 becomes $1 and $2.50 becomes $3. If you have to add two or more amounts to figure the amount to enter in the column, include the cents when adding and round off only the total.

CAUTION: *DO NOT enter the cents in Columns a, b, and c. The system will read all numbers entered as whole dollar amounts.*

When Form G-45, Column b is Greater Than Column a

In the event that your exemptions (Column b) for the period exceeds your gross income (Column a), enter an amount in Column b that is equal to but not more than Column a. The remainder of the available exemption would then be reported on the subsequent period's Form G-45. You are unable to claim a refund for the amount that results in a negative tax consequence on the periodic return.


FORM G-45
(Rev. 2019)

STATE OF HAWAII — DEPARTMENT OF TAXATION

DO NOT WRITE IN THIS AREA

10

GENERAL EXCISE/USE TAX RETURN

Fill in this oval ONLY if this is an AMENDED return

PERIOD ENDING 03 21 (mm-yy) (1)

HAWAII TAX I.D. NO. GE 123 456 7890 01 (3)

Last 4 digits of your FEIN or SSN 4321 (4)

NAME: (2) Aloha, Mary

ID NO 01

BUSINESS ACTIVITIES	Column a VALUES, GROSS PROCEEDS OR GROSS INCOME	Column b EXEMPTIONS/DEDUCTIONS (Attach Schedule GE)	Column c TAXABLE INCOME (Column a minus Column b)

Figure 1. Top of the Return

THE TOP OF THE TAX RETURN *(Figure 1)*

Step 1 —Fill in the filing period information with the appropriate numeric *(two digit)* month and year for the last month of your filing period *(e.g., Month of January 2023 = 01-23; Quarterly Period of January through March 2023 = 03-23; Semiannual Period of January through June 2023 = 06-23)*.

Step 2 — Write your name here. Individuals, write your last name first.

Step 3 — Enter your Hawaii Tax I.D. No. in the area provided.

Step 4 — Enter the last 4 digits of your FEIN or SSN.

Mary enters 03-21 for the numeric month and year for the last month of her filing period.

BUSINESS ACTIVITIES	Column a VALUES, GROSS PROCEEDS OR GROSS INCOME	Column b EXEMPTIONS/DEDUCTIONS (Attach Schedule GE)	Column c TAXABLE INCOME (Column a minus Column b)	
PART I - GENERAL EXCISE and USE TAXES @ ½ OF 1% (.005)				
1. Wholesaling	.00	.00	.00	1
2. Manufacturing	5 .00	6 .00	7 .00	2

Figure 2. How to Fill in the Columns for General Excise Taxes

PART I — GENERAL EXCISE TAXES @ ½ OF 1% (.005) *(Figure 2)*

Report your business activities for the filing period that are subject to the GET/Use tax at the rate of 0.5% in Part I.

NOTE: Sugar processing and pineapple canning should be reported under the "Manufacturing" activity.

Step 5 — Enter the gross income from all your business activities for the filing period in Column a on the appropriate business activity lines. If you did not derive any income from your business activities during this period, enter zero (0) on the applicable lines.

If a promoter, a contractor, or other person withheld general excise or use tax and paid it to the Department on your behalf, do not enter the amount paid or the income on which tax was withheld. These amounts will, however, need to be included on your annual reconciliation return.

Step 6 — If you have allowable exemptions, enter the total in Column b on the appropriate business activity line(s). If you do not have any exemptions, enter zero (0) on the applicable line(s). IF Column b is more than Column a, see *"When Form G-45, Column b is Greater Than Column a"* on page 7.

If you are claiming exemptions in Column b, complete Schedule GE (Form G-45/G-49), General Excise/Use Tax Schedule of Exemptions and Deductions.

Please see the schedules of exemptions and deductions contained in these instructions for more information.

IMPORTANT: *Most deductions allowed on net income tax returns (e.g., operating expenses or cost of goods sold) are NOT deductible on the GET returns.*

Step 7 — For each activity you engage in, subtract Column b from Column a and enter the result in Column c, Taxable Income. If the result is zero, enter zero (0).

4. Wholesale Services	.00	.00	.00	4
5. Landed Value of Imports for Resale	8 .00	9 .00	10 .00	5

Figure 3. How to Fill in the Columns for Use Taxes

USE TAXES @ ½ OF 1% (.005) *(Figure 3)*

Step 8 — Enter the landed value of tangible personal property, services, or contracting imported into Hawaii in Column a.

Step 9 — If you have allowable exemptions, enter the total in Column b. If you do not have any exemptions, enter zero (0). IF Column b is more than Column a, see *"When Form G-45, Column b is Greater Than Column a*" on page 7.

A use tax and GET offset may be claimed for taxes paid to another state on property, services, or contracting imported into the State for resale.

CAUTION: *Taxes paid for manufacturing, extraction, and the like, as well as license fees or transfer taxes, MAY NOT be taken as a credit against Hawaii use taxes due.*

The following steps should be taken to claim the offset when reporting the use tax on Forms G-45 and G-49.

Offset the use tax:

Step A– Enter the value of the imported property in Column a of Use Tax on Imports For Resale or Use Tax on Imports for Consumption, as applicable, and determine the exact amount of use tax due on that property.

Step B– Compare the use tax due (Step A) with the sales or use tax paid to another state on that property. Divide the LESSER of the two amounts by the applicable tax rate, and enter the result in Column b.

Step C– Subtract Column b from Column a, and enter the result in Column c.

Offset the general excise tax:

Step D– Enter the gross income from the sale of the imported property in Column a of the applicable line, and determine the exact amount of the GET due on that property.

Step E– Subtract the use tax due on that property (Step A) from the sales or use tax paid to another state on that item.

Step F– Compare the GET due (Step D) with the remaining sales or use tax paid (Step E). Divide the LESSER of the two amounts by 0.005 or 0.04, as applicable, and enter the result in Column b.

Step G– Subtract Column b from Column a, and enter the result in Column c.

EXAMPLE

Taxpayer A purchases widgets in State X on which $125 of sales tax is paid, and imports the widgets into Hawaii for resale at retail. The landed value of the widgets is $1,500, and they are sold at retail for $2,700.

Step A– $1,500 x 0.005 = $7.50

Step B– $7.50 ÷ 0.005 = $1,500

Step C– $1,500 - $1,500 = $0

Step D– $2,700 x 0.04 = $108

Step E– $125 – 7.50 = $117.50

Step F– $108 ÷ 0.04 = $2,700

Step G– $2,700 - $2,700 = $0.00

Step 10 — Subtract Column b from Column a, and enter the result in Column c. This is the taxable value.

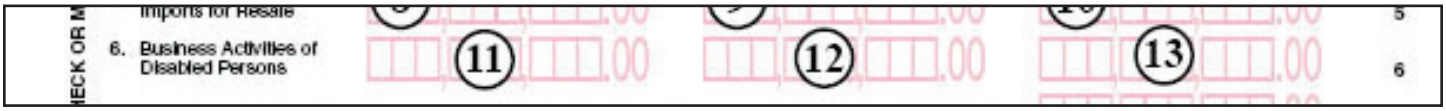


Figure 4. How to Fill in the Columns for Business Activities of Disabled Persons and Totaling the Taxable Income Amounts for General Excise and Use Taxes @1/2 of 1% (.005).

BUSINESS ACTIVITIES OF DISABLED PERSONS@ ½ OF 1% (.005) *(Figure 4)*

Step 11 — Certified disabled persons, enter the gross income from your business activity(ies) in Column a. The qualifying person must have a completed Form N-172 on file with the Department in order to report on this line and claim this exemption.

Step 12 — There is an exemption for the first $2,000 of gross income earned from all activities combined by any certified disabled person. Enter the total of this exemption plus any other allowable exemptions in Column b.

Step 13 — Subtract Column b from Column a, and enter the result in Column c, Taxable Income. If the result is zero, enter zero (0).

Step 14 — Add the taxable income amounts in Part I, Column c. Enter the result on line 7 and on page 2, line 24, Column c (see Figures 4 and 10). **Reminder:** This amount is rounded to the nearest dollar.

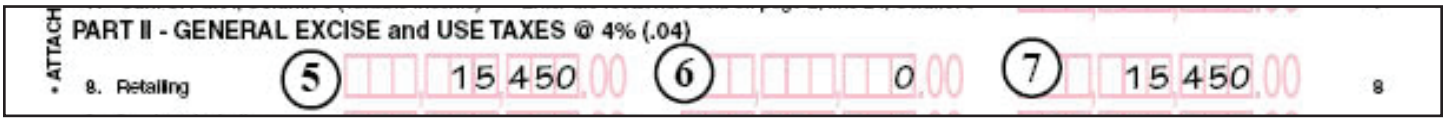


Figure 5. How to Fill in the Columns for General Excise Taxes

PART II — GENERAL EXCISE and USE TAXES @ 4% (.04) *(Figures 5 and 6)*

Report your business activities for the filing period that are subject to the GET/Use tax at the rate of 4% in Part II.

For these activities, follow Steps 5 through 10, as applicable.

Step 15 — Add the taxable income amounts in Part II, Column c. Enter the result on line 17 and on page 2, line 25, Column c (see Figures 6 and 10). **Reminder:** This amount is rounded to the nearest dollar.

In Column a, line 8, Retailing, Mary enters $15,450. Mary enters zero in Column b since she is not claiming any exemptions. In Column c, Mary subtracts Column b from Column a and enters the result, $15,450.

In Column c, line 17, Mary enters the sum of Column c lines 8 through 16, $15,450.

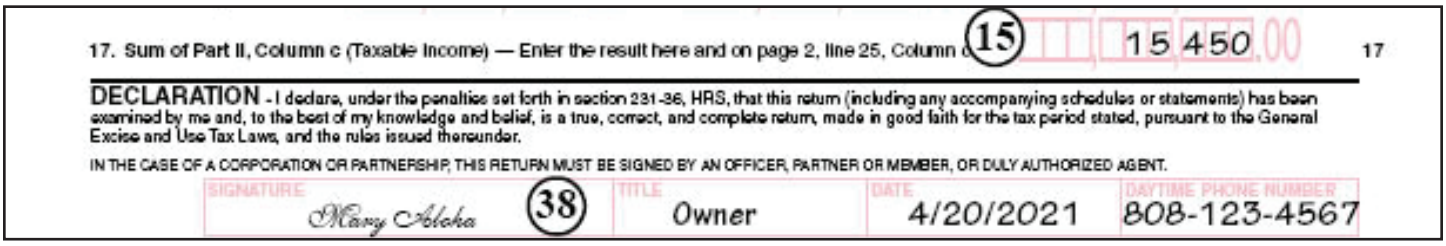


Figure 6. Totaling the Taxable Income Amounts for General Excise and Use Taxes @4% (.04) and Signing the Return

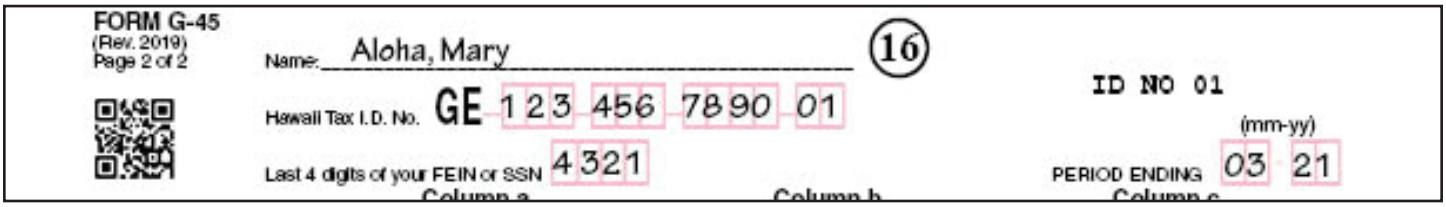


Figure 7. Top of Page 2

TOP OF PAGE 2 *(Figure 7)*

Step 16 — Please complete the information at the top of the page as it is entered on page 1 at the top of the return.

At the top of page 2, Mary enters the same information that she entered on page 1 at the top of the return.

18. Insurance Commissions	17	18	19	18
PART IV - COUNTY SURCHARGE — Enter the amounts from Part II, line 17, Column c attributable to each county. Multiply Column c by the applicable county rate(s) and enter the total of the result(s) on Part VI, line 27, Column e.				
19. Oahu (rate = .005)	20 14 450	21 0	22 14 450	19
20. Maui				20
21. Hawaii (rate = .005)				21
22. Kauai (rate = .005)	1 000	0	1 000	22

Figure 8. Calculating the General Excise Tax on Insurance Companies @.15% (.0015) and the County Surcharge

PART III — INSURANCE COMMISSIONS @ .15% (.0015) *(Figure 8)*

Step 17 — Enter your insurance commissions in Column a.

Step 18 — If you have allowable exemptions, enter the total in Column b. If you do not have any exemptions, enter zero (0).

Step 19 — Subtract Column b from Column a, and enter the result in Column c, Taxable Income, and on page 2, line 26, Column c (see Figures 8 and 10). IF Column b is more than Column a, see *"When Form G-45, Column b is Greater Than Column a"* on page 7.

PART IV — COUNTY SURCHARGE *(Figure 8)*

Enter the amount from Part II, Column c for each county on lines 19, 20, 21 and 22, Column a.

Step 20 — Enter your **taxable** income in Column a.

- If you did business in only one district that has a county surcharge, enter the amount from Form G-45, Part II, line 17, Column c.
- If you did business in more than one District, enter the amount from Form G-75, line 19, 21 and 22 Columns a thru d.

Step 21 — If you have allowable county surcharge exemptions, enter the total in Column b. If you do not have any exemptions, enter zero (0).

Allowable county surcharge exemptions include:

- The **additiona**l sublease deduction from Form G-72, line 6;
- The **additional** deduction for wholesale amusements from Form G-81, line 6;
- Amounts of sales assigned to a district that has a county surcharge by a seller who does not have nexus in that county; and
- Gross receipts received under a written contract entered into before June 30, 2006 for the county of Oahu and June 30, 2018 for the counties of Kauai and Hawaii, which does not allow for the pass-on of an increased rate of tax.

Step 22 — Subtract Column b from Column a, and enter the result in Column c, Taxable Income (see Figures 8 and 10). IF Column b is more than Column a, see *"When Form G-45, Column b is Greater Than Column a" on page 7.*

PART V — SCHEDULE OF ASSIGNMENT OF TAXES BY DISTRICT *(ALL taxpayers MUST complete this Part and may be subject to a 10% penalty for noncompliance.)*
DARKEN the oval of the taxation district in which you have conducted business. IF you did business in MORE THAN ONE district, darken the oval "MULTI" and attach Form G-75.

23. (23) ◯ Oahu ◯ Maui ◯ Hawaii ◯ Kauai ● MULTI 23

Figure 9. Completing the Schedule of Assignment of Taxes By District

Mary must complete lines 19 and 22 since she conducted business in the Oahu and Kauai district and she must complete Form G-75. Mary enters the total amount from Form G-75, line 19, 21 and 22 Columns a and d on to line 19, Column a, which is $14,450 and line 22, Column a, which is $1,000. Mary enters zero in Column b since she is not claiming any county surcharge exemptions and enters $14,450 and $1,000 in Column c.

PART V — SCHEDULE OF ASSIGNMENT OF TAXES BY DISTRICT *(Figure 9)*

Indicate the taxation district you conducted business activities for the filing period in Part V.

IMPORTANT: ALL taxpayers MUST complete Part V and may be subject to a penalty of 10% of the combined State and county surcharge taxes for noncompliance.

Step 23 — If you did not have any activity for the period, darken the oval for your District. Otherwise:

1) IF you did business in only ONE District, darken the oval for that taxation district.
2) IF you did business in MORE THAN one District, darken the oval "MULTI" and attach Form G-75, Assignment of General Excise/Use Taxes By Districts.

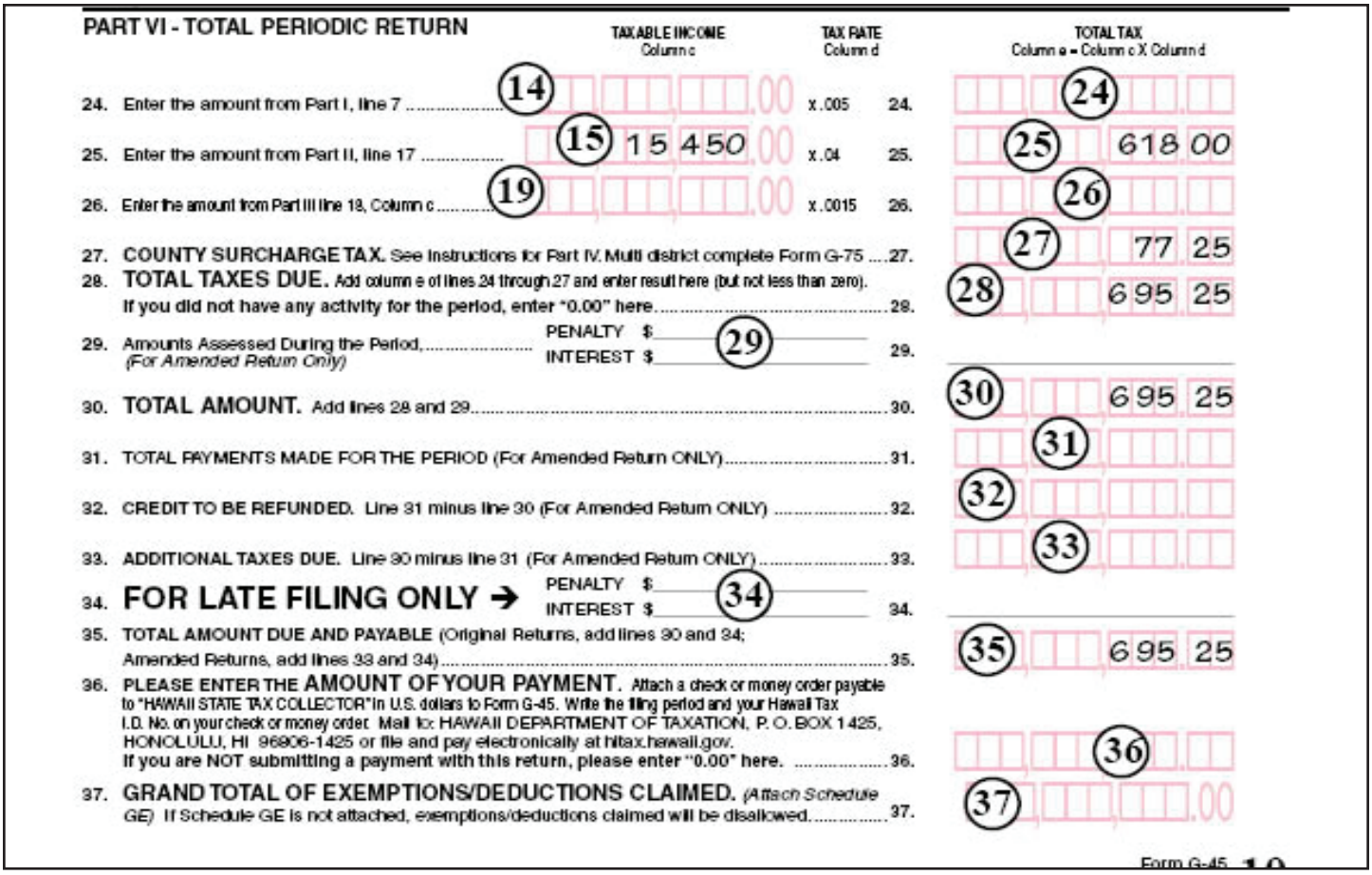
Mary must complete the Schedule of Assignment of Taxes By District. She darkens the oval for Multi since she did business in more than one district. Mary must also complete Form G-75.

PART VI — TOTAL PERIODIC RETURN *(Figure 10)*

Calculate the total amount of taxes due for the filing period in Part VI.

Step 24 — Multiply the taxable income amount on line 24, Column c by the tax rate of .005 (line 24, Column d) and enter the result, *including the cents*, on line 24, Column e. The result is the General Excise and Use Taxes @½ of 1% (.005) due. If the result is zero, enter "0.00."

Step 25 — Multiply the taxable income amount on line 25, Column c by the tax rate of .04 (line 25, Column d) and enter the result, *including the cents*, on line 25, Column e. The result is the General Excise and Use Taxes @ 4% (.04) due. If the result is zero, enter "0.00."



PART VI - TOTAL PERIODIC RETURN

		TAXABLE INCOME Column c	TAX RATE Column d		TOTAL TAX Column e = Column c X Column d
24.	Enter the amount from Part I, line 7	14 .00	x .005	24.	24
25.	Enter the amount from Part II, line 17	15 15 450 .00	x .04	25.	25 618 00
26.	Enter the amount from Part III line 18, Column c	19 .00	x .0015	26.	26
27.	COUNTY SURCHARGE TAX. See Instructions for Part IV. Multi district complete Form G-75			27.	27 77 25
28.	TOTAL TAXES DUE. Add column e of lines 24 through 27 and enter result here (but not less than zero). If you did not have any activity for the period, enter "0.00" here.			28.	28 695 25
29.	Amounts Assessed During the Period, (For Amended Return Only)	PENALTY $ 29 INTEREST $		29.	
30.	TOTAL AMOUNT. Add lines 28 and 29			30.	30 695 25
31.	TOTAL PAYMENTS MADE FOR THE PERIOD (For Amended Return ONLY)			31.	31
32.	CREDIT TO BE REFUNDED. Line 31 minus line 30 (For Amended Return ONLY)			32.	32
33.	ADDITIONAL TAXES DUE. Line 30 minus line 31 (For Amended Return ONLY)			33.	33
34.	FOR LATE FILING ONLY ➔	PENALTY $ 34 INTEREST $		34.	
35.	TOTAL AMOUNT DUE AND PAYABLE (Original Returns, add lines 30 and 34; Amended Returns, add lines 33 and 34)			35.	35 695 25
36.	PLEASE ENTER THE AMOUNT OF YOUR PAYMENT. Attach a check or money order payable to "HAWAII STATE TAX COLLECTOR" in U.S. dollars to Form G-45. Write the filing period and your Hawaii Tax I.D. No. on your check or money order. Mail to: HAWAII DEPARTMENT OF TAXATION, P. O. BOX 1425, HONOLULU, HI 96806-1425 or file and pay electronically at hitax.hawaii.gov. If you are NOT submitting a payment with this return, please enter "0.00" here.			36.	36
37.	GRAND TOTAL OF EXEMPTIONS/DEDUCTIONS CLAIMED. (Attach Schedule GE) If Schedule GE is not attached, exemptions/deductions claimed will be disallowed.			37.	37 .00

Form G-45 1.0

Figure 10. Completing the Periodic Return (Form G-45)

Step 26 — Multiply the taxable income amount on line 26, Column c by the tax rate of .0015 (line 26, Column d) and enter the result, *including the cents*, on line 26, Column e. The result is the GET on Insurance Commissions @ .15% (.0015) due. If the result is zero, enter "0.00."

Step 27 — If you selected "Multi," complete Form G-75, total the amounts on Form G-75, line 27 Columns a thru d and enter the amount on line 27. If you did business only in one district that has a county surcharge, multiply line 17c by your district's county surcharge rate and enter the amount on line 27. If you did business only in the Maui district, enter "0.00."

Step 28 — Add the amounts in Column e of lines 24 through 27 and enter the total on line 28. This is the "TOTAL TAXES DUE." You are unable to claim a refund on an original periodic return (Form G-45). A refund can be claimed when filing your annual return and reconciliation (Form G-49).

On line 25, Column c, Mary enters $15,450, which is the amount from Part II, line 17. Mary multiplies $15,450 by the tax rate of .04 and enters $618.00 in Column e.

Mary completes Form G-75 and enters on line 27e the total of line 27 Columns a thru d from Form G-75, which totals $77.25.

Mary adds lines 25 and 27 and enters the result, $695.25, on line 28.

CAUTION: *LINE 28 MUST BE FILLED IN. If you did not have any activity for the period, enter "0.00" here.*

Step 29 — For Amended Return ONLY, see Instructions for Filing an Amended Form G-45.

Step 30 — Enter the amount from line 28 on line 30, "TOTAL AMOUNT."

Step 31 — For Amended Return ONLY, see Instructions for Filing an Amended Form G-45.

Step 32 — For Amended Return ONLY, see Instructions for Filing an Amended Form G-45.

Step 33 — For Amended Return ONLY, see Instructions for Filing an Amended Form G-45.

Step 34 — If you file a tax return after the due date, and if there is tax due on the return, then you must compute penalty and interest charges. After computing the amounts, enter the results to the right of "PENALTY $" and "INTEREST $" and enter the total of the two amounts on line 34.

If you need help computing the penalty and interest, please call the Taxpayer Services Branch for assistance at 808-587-4242 or toll-free 1-800-222-3229; or leave these lines blank, and the Department will compute the charges for you and send you a bill.

Step 35 — Add the amounts on lines 30 and 34, and enter the "TOTAL AMOUNT DUE AND PAYABLE" on line 35.

Step 36 — **NOTE**: If you are NOT submitting a check with your return, enter "0.00" on line 36.

Enter the "AMOUNT OF YOUR PAYMENT," including any penalty and interest, on line 36. Mail your check or money order for this amount payable to "Hawaii State Tax Collector" in U.S. dollars drawn on any U.S. bank to the P.O. Box below. Write the filing period, your Hawaii Tax I.D. No., and your daytime phone number on your check or money order.

Send your check or money order and Form G-45 with the required forms and attachments (Schedule GE and Form G-75 if applicable) to:

Hawaii Department of Taxation
P.O. Box 1425
Honolulu, HI 96806-1425

DO NOT SEND CASH. Form G-45, including an amended return, can also be filed and payment made electronically at **hitax.hawaii.gov**.

Step 37 — If you are claiming any exemptions for the period, complete Schedule GE (Form G-45/G-49), General Excise/Use Tax Schedule of Exemptions and Deductions, enter the "GRAND TOTAL OF EXEMPTIONS/DEDUCTIONS CLAIMED" from Schedule GE (Form G-45/G-49) on line 37, and attach Schedule GE (Form G-45/G-49) to Form G-45.

Step 38 — Sign your name and write your title, date and daytime phone number in the spaces provided on page 1 of the Form G-45 (see Figure 6).

IMPORTANT: *Please fill in each column of your business activity(ies) with a dollar amount or zero (0) or processing errors will result. Also, write the filing period (e.g., January 2023; January - March 2023; January - June 2023), your Hawaii Tax I.D. No., and your daytime phone number on your check or money order so it will be properly credited if it is accidentally separated from your tax return.*

INSTRUCTIONS FOR FILING AN AMENDED FORM G-45

If you file your Form G-45 and later become aware of any changes you must make to reported income and/or exemptions, you may file an amended return on Form G-45 to change the Form G-45 you already filed. Darken the oval at the top of page 1 of Form G-45 to designate that this is an amended return. The steps below refer to the steps in Figures 1 through 10.

Do **NOT** file an amended Form G-45 if the General Excise/Use Tax Annual Return & Reconciliation, Form G-49, has already been filed for the tax year.

Steps 1 through 28 — Enter the correct amounts of values, gross proceeds or gross income, exemptions, taxable income, and taxes due which should have been reported on the original Form G-45. (**Note**: Entries which were correctly reported on the original Form G-45 also must be entered on the appropriate line(s). **Failure to do so will result in a change from the correct amount to -0-.**)

Step 29 — As of the date the amended Form G-45 is filed, enter on line 29 the amounts of any penalty and/or interest assessed for the period. Penalty and interest are generally assessed because the original return was filed after the filing deadline or because the taxes due were not paid in full by the filing deadline.

Step 31 — Enter on line 31 the total amount of taxes, additional assessments, and penalty and/or interest paid less any refunds received for the period. Include payments made with the original Form G-45 as well as any supplemental payments made after the original Form G-45 was filed. REMINDER: Payments are applied first to recover costs incurred by the Department, then to any interest due, then to penalties, and finally, to taxes.

Step 32 — If line 30 is LESS THAN line 31, subtract line 30 from line 31 and enter the result on line 32, "CREDIT TO BE REFUNDED."

Step 33 — If line 30 is MORE THAN line 31, subtract line 31 from line 30 and enter the result on line 33, "ADDITIONAL TAXES DUE."

Step 34 — If the amended Form G-45 is being filed after the due date of the original Form G-45, and if there is an amount entered on line 33, enter on line 34 the amount of any penalty and/or interest now due. On a timely filed original Form G-45, a penalty of 20% of the tax due will be assessed if any tax remains unpaid after 60 days from the prescribed due date of the original Form G-45. This penalty is applicable to amended Form G-45s for timely filed original Form G-45s. Interest at the rate of 2/3 of 1% per month or part of a month shall be assessed on unpaid taxes and penalties assessed beginning with the first calendar day after the date prescribed for payment, whether or not that first calendar day falls on Saturday, Sunday, or legal holiday.

Step 35 — Add lines 33 and 34 and enter the total on line 35, "TOTAL AMOUNT DUE AND PAYABLE."

Step 36 — Enter on line 36 the amount of any payment made with the amended Form G-45. If the amended Form G-45 is filed after the due date of the original Form G-45, include any additional penalty and interest in your payment. Mail your check or money order for this amount payable to "Hawaii State Tax Collector" in U.S. dollars drawn on any U.S. bank to the P.O. Box below. Write the filing period, your Hawaii Tax I.D. No., and your daytime phone number on your check or money order.

Send your check or money order and your amended Form G-45 with the required forms and attachments (Schedule GE and Form G-75 if applicable) to:

Hawaii Department of Taxation
P.O. Box 1425
Honolulu, HI 96806-1425

DO NOT SEND CASH. An amended Form G-45 can also be filed and payment made electronically at **hitax.hawaii.gov**.

Step 37 — If any exemptions are claimed, complete and attach Schedule GE to the amended Form G-45. The amount and type of exemptions claimed must be completed even if reported correctly on the original Form G-45 filed. Enter the total of all exemptions reported on Schedule GE on line 37.

Step 38 — Sign your name and write your title, date and daytime phone number in the spaces provided on page 1 of the amended Form G-45 (see Figure 5).

IMPORTANT: *Please fill in each column of your business activity(ies) with a dollar amount or zero (0) or processing errors will result. Also, write the filing period (e.g., January 2023; January - March 2023; January - June 2023), your Hawaii Tax I.D. No., and your daytime phone number on your check or money order, if applicable, so that it may be properly credited if it is accidentally separated from the tax return.*

REMINDER!!!

GENERAL EXCISE/USE TAX ANNUAL RETURN AND RECONCILIATION MUST BE FILED.

Section 237-33, HRS, requires every taxpayer to file a General Excise/Use Annual Return and Reconciliation. This return is used by the taxpayer to reconcile their account for the entire year. It is, for the most part, a simple summary of business conducted in the past calendar or fiscal year, whichever is applicable. If the periodic returns were completed correctly and the taxes due paid in full, the total taxes due (line 28) will, in many cases, be the same as the total payments made less any refunds received for the tax year (line 31) and no additional tax will be due. DO NOT confuse this Annual Return and Reconciliation with the Net Income Tax Return.

STEP-BY-STEP INSTRUCTIONS FOR FILLING IN YOUR FORM G-49 (ANNUAL RETURN AND RECONCILIATION)

(The circled numbers in the sample below correspond to the steps in the instructions on the following pages.)

The annual general excise/use tax return (Form G-49), including an amended return, can be filed and payment made electronically through the State's Internet portal. For more information, go to tax.hawaii.gov/eservices/.

About this Form

Form G-49 is designed for electronic scanning that permits faster processing with fewer errors. To avoid delays:

1. Print amounts only on those lines that are applicable.
2. Use only a black or dark blue ink pen. Do not use red ink, pencils, felt tip pens, or erasable pens.
3. Because this form is read by a machine, please print your numbers inside the boxes like this:

1	2	3	4	5	6	7	8	9	0	X

4. Do NOT print outside the boxes.
5. Fill in ovals completely. Do not ✓ or ✕ the ovals.
6. Do NOT enter cents. All numbers that are required to be rounded to the nearest dollar should **NOT** be printed over the zeros used to designate cents.
7. Do NOT use dollar signs, slashes, dashes or parentheses in the boxes.
8. We recommend that you print a new form from our website (**tax.hawaii.gov**) each time you need it. The form's QR code is necessary to process the return. Excessive photocopying of a photocopy will degrade the QR code, and the QR code will become unreadable.
9. Please use a color printer and print in color.

Rounding to Whole Dollars in Columns a, b, and c

The Department is requiring taxpayers to round off cents to the nearest whole dollar for all dollar entries in Columns a, b, and c. To do so, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example: $1.49 becomes $1 and $2.50 becomes $3. If you have to add two or more amounts to figure the amount to enter in the column, include the cents when adding and round off only the total.

CAUTION: *DO NOT enter the cents in Columns a, b, and c. The system will read all numbers entered as whole dollar amounts.*

When Form G-49, Column b is Greater Than Column a

In the event that your exemptions (Column b) for the period exceeds your gross income (Column a), enter the result in Column b that is equal to but not more than Column a. The remainder of the available exemption would then be reported on the subsequent period's Form G-45. You are unable to claim a refund for more than the tax you paid for that year. However, if you overpaid tax on a previously filed Form G-45/G-49, you may claim a refund and the credit will be refunded to you. **Note:** *If column c is a negative amount but there is a positive amount for another activity in column c to offset the negative amount, you may report the negative amount on this return as long as the net amount is positive.*

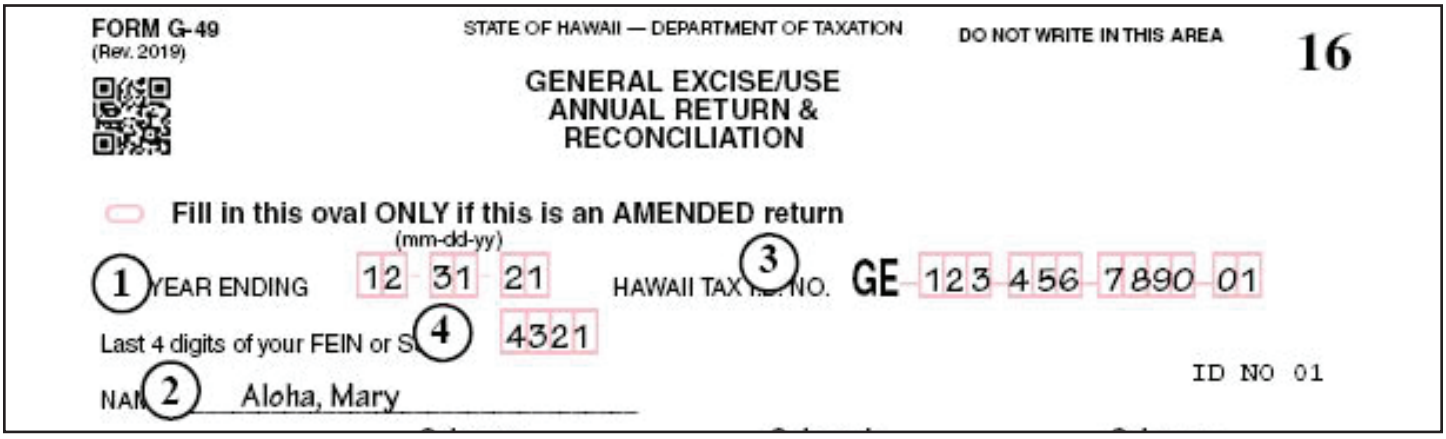

FORM G-49
(Rev. 2019)
STATE OF HAWAII — DEPARTMENT OF TAXATION
DO NOT WRITE IN THIS AREA
16
GENERAL EXCISE/USE ANNUAL RETURN & RECONCILIATION
Fill in this oval ONLY if this is an AMENDED return
(mm-dd-yy)
1 YEAR ENDING 12 31 21
HAWAII TAX I.D. NO. 3 GE 123 456 7890 01
Last 4 digits of your FEIN or SSN 4 4321
NAME 2 Aloha, Mary
ID NO 01

Figure 1. Top of the Return

THE TOP OF THE TAX RETURN *(Figure 1)*

Step 1 — Enter the numeric (two digit) month, day and year your tax year ends.

Step 2 — Write your name here. Individuals, write your last name first.

Step 3 — Enter your Hawaii Tax I.D. No. in the area provided

Step 4 — Enter the last 4 digits of your FEIN or SSN.

Mary enters 12-31-21 for the numeric month, day, and year her tax year ends.

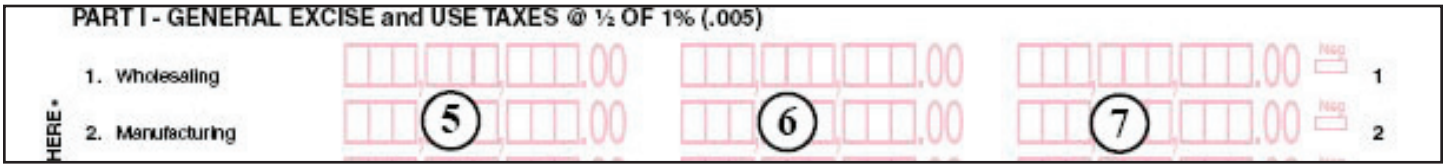


Figure 2. How to Fill in the Columns for General Excise and Use Taxes

PART I — GENERAL EXCISE and USE TAXES @ ½ OF 1% (.005) *(Figure 2)*

Report your business activities for the tax year that are subject to the GET/Use tax at the rate of 0.5% in Part I.

Step 5 — Enter the gross income from all your business activities in Column a on the appropriate business activity lines. If you did not derive any income from your business activities during the year, enter zero (0) on the applicable lines.

For example, if you correctly reported $1,000 in gross income on Wholesaling for both the first and second semiannual periods, then the gross income reported on Wholesaling on the annual return will be $2,000 ($1,000 + $1,000).

If a promoter, a contractor, or other person withheld general excise or use tax and paid it to the Department on your behalf, include the amount of gross income on which the tax was withheld.

Since the annual return is a reconciliation of the "actual" gross income, exemptions, taxable income, and taxes due with the "reported" figures filed on the periodic returns, entries on the annual return will differ from the periodic returns if an error was made on a periodic return.

Step 6 — If you have allowable exemptions, enter the total in Column b on the appropriate business activity line(s). If you do not have any exemptions, enter zero (0) on the applicable line(s).

As in Step 5, the amounts and types of exemptions listed will be the sum of the "actual" allowable exemptions for the entire year.

If you are claiming exemptions in Column b, complete Schedule GE (Form G-45/G-49), General Excise/Use Tax Schedule of Exemptions and Deductions.

IMPORTANT: *Most deductions allowed on net income tax returns (for example operating expenses or cost of goods sold) are NOT deductible on the GET returns.*

Step 7 — For each activity you engage in, subtract Column b from Column a, and enter the result in Column c, Taxable Income. If the result is zero, enter zero (0).

Figure 3. How to Fill in the Columns for Business Activities of Disabled Persons and Totaling the Taxable Income Amounts for General Excise and Use Taxes @1/2 of 1% (.005)

BUSINESS ACTIVITIES OF DISABLED PERSONS@ ½ OF 1% (.005) *(Figure 3)*

Step 8 — Certified disabled persons, enter the gross income from your business activity(ies) in Column a, just as you did on your periodic returns, but report the amounts for the entire year. The qualifying person must have a completed Form N-172 on file with the Department in order to report on this line and claim this exemption.

Step 9 — There is an exemption for the first $2,000 of gross income earned from all activities combined by any certified disabled person. Enter the total of this exemption plus any other allowable exemptions in Column b.

As in Step 5 above, the amount and types of exemptions will be the sum of the "actual" allowable exemptions for the entire year.

Step 10 — Subtract Column b from Column a, and enter the result in Column c, Taxable Income. If the result is zero, enter zero (0).

Step 11 — Add the taxable income amounts in Part I, Column c. Enter the result on line 7 and on page 2, line 24, Column c (see Figures 3 and 9). **Reminder:** This amount is rounded to the nearest dollar.

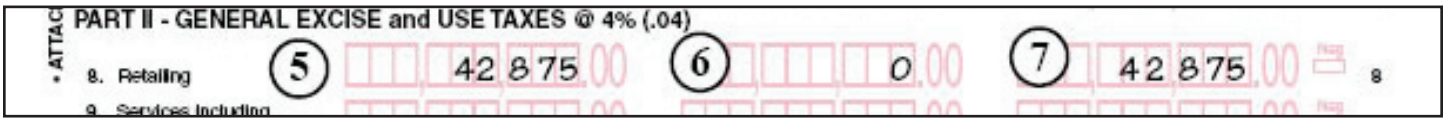


Figure 4. How to Fill in the Columns for General Excise and Use Taxes

PART II — GENERAL EXCISE and USE TAXES @ 4% (.04) *(Figures 4 and 5)*

Report your business activities for the tax year that are subject to the GET/Use tax at the rate of 4% in Part II.

For these activities, follow Steps 5 through 7, as applicable.

Step 12 — Add the taxable income amounts in Part II, Column c. Enter the result on line 17 and on page 2, line 25, Column c (see Figures 4 and 9). **Reminder:** This amount is rounded to the nearest dollar.

In Column a, line 8, Retailing, Mary enters $42,875. Mary enters zero in Column b since she is not claiming any exemptions. In Column c, Mary subtracts Column b from Column a and enters the result, $42,875.

In Column c, line 17, Mary takes the sum of Column c lines 8 through 16 and enters $42,875.

17. Sum of Part II, Column c (Taxable Income) — Enter the result here and on page 2, line 25, Column c (12) 42 875.00 17

DECLARATION - I declare, under the penalties set forth in section 231-36, HRS, that this return (including any accompanying schedules or statements) has been examined by me and, to the best of my knowledge and belief, is a true, correct, and complete return, made in good faith for the tax period stated, pursuant to the General Excise and Use Tax Laws, and the rules issued thereunder.

IN THE CASE OF A CORPORATION OR PARTNERSHIP, THIS RETURN MUST BE SIGNED BY AN OFFICER, PARTNER OR MEMBER, OR DULY AUTHORIZED AGENT.

SIGNATURE	TITLE	DATE	DAYTIME PHONE NUMBER
Mary Aloha (37)	Owner	4/20/2022	808-123-4567

Figure 5. Totaling the Taxable Income Amounts for General Excise and Use Taxes @4% (.04) and Signing the Return

FORM G-49
(Rev. 2019)
Page 2 of 2

Name: Aloha, Mary (13)

ID NO 01

Hawaii Tax I.D. No. GE 123 456 7890 01

Last 4 digits of your FEIN or SSN 4321

TAX YEAR ENDING (mm-dd-yy) 12 31 21

Column a Column b Column c

Figure 6. Top of Page 2

TOP OF PAGE 2 *(Figure 6)*

Step 13 — Please complete the information at the top of the page as it is entered on page 1 at the top of the return.

At the top of page 2, Mary enters the same information that was entered on page 1 at the top of the return.

PART III — INSURANCE COMMISSIONS @ .15% (.0015) *(Figure 7)*

Step 14 — Enter your insurance commissions in Column a, just as you did on your periodic tax returns, but report the amount for the entire year.

Step 15 — If you have allowable exemptions, enter the total in Column b. If you do not have any exemptions, enter zero (0).

As in Step 5, the amounts and types of exemptions listed will be the sum of the "actual" allowable exemptions for the entire year.

Step 16 — Subtract Column b from Column a, and enter the result in Column c, Taxable Income, and on page 2, line 26, Column c (see Figures 7 and 9).

18. Insurance Commissions (14) .00 (15) .00 (16) .00 18

PART IV - COUNTY SURCHARGE — Enter the amounts from Part II, line 17, Column c attributable to each county. Multiply Column c by the applicable county rate(s) and enter the total of the result(s) on Part VI, line 27, Column e.

	Column a	Column b	Column c	
19. Oahu (rate = .005)	(17) 41 875.00	(18) 0.00	(19) 41 875.00	19
20. Maui	.00			20
21. Hawaii (rate = .005)	.00	.00	.00	21
22. Kauai (rate = .005)	1 000.00	0.00	1 000.00	22

Figure 7. Calculating the General Excise Tax on Insurance Commissions @ .15% (.0015) and the County Surcharge

PART IV — COUNTY SURCHARGE *(Figure 7)*

Enter the amount from Part II, Column c for each county on lines 19, 20, 21 and 22, Column a.

Step 17 — Enter your taxable income in Column a, just as you did on your periodic tax returns, but report the amount for the entire year.

- If you did business only in one district that has a county surcharge, enter the amount from Form G-49, Part II, line 17, Column c. NOTE: If you are a fiscal year filer ending in 2020 and earned income in the Hawaii district for the period prior to January 1, 2020, you will need to calculate the county surcharge tax on the taxable income attributed to the 0.25% and 0.5% rates. The county surcharge is 0.25% prior to January 1, 2020 and 0.5% after December 31, 2019. If your gross income is only from the Hawaii district, enter the sum of the calculated taxes of the 0.25% and 0.5% rates on line 27. If your gross income includes other districts with Hawaii and line 23, MULTI is filled in; enter the sum of the calculated taxes of the 0.25% and 0.5% rates from the Form G-75, Schedule of Assignment of General Excise/Use Taxes by Districts, on line 27, Column c.
- If you did business in more than one district, enter the amount from Form G-75, line 19, 21 and 22 Columns a thru d.

Step 18 — If you have allowable county surcharge exemptions, enter the total in Column b. If you do not have any exemptions, enter zero (0).

Allowable county surcharge exemptions include:

- The **additional** sublease deduction from Form G-72, line 6;
- The **additional** deduction for wholesale amusements from Form G-81, line 6;
- Amounts of sales assigned to a district that has a county surcharge by a seller who does not have nexus in that county; and
- Gross receipts received under a written contract entered into before June 30, 2006 for the county of Oahu and June 30, 2018 for the counties of Kauai and Hawaii, which does not allow for the pass-on of an increased rate of tax.

As in Step 5, the amount and types of exemptions listed will be the sum of the "actual" allowable exemptions for the entire year.

Step 19 — Subtract Column b from Column a, and enter the result in Column c, Taxable Income (see Figures 7 and 9).

PART V — SCHEDULE OF ASSIGNMENT OF TAXES BY DISTRICT *(ALL taxpayers MUST complete this Part and may be subject to a 10% penalty for noncompliance.)*

DARKEN the oval of the taxation district in which you have conducted business. IF you did business in MORE THAN ONE district, darken the oval "MULTI" and attach Form G-75.

23. ( ) Oahu ( ) Maui ( ) Hawaii ( ) Kauai (●) MULTI (20) 23

Figure 8. Completing the Schedule of Assignment of Taxes By District

Mary must complete lines 19 and 22 since she conducted business in the Oahu and Kauai district and she must complete Form G-75. Mary enters the total amount from Form G-75, line 19, 21 and 22 Columns a and d on to line 19, Column a, which is $41,875 and line 22, Column a, which is $1,000. Mary enters zero in Column b since she is not claiming any county surcharge exemptions and enters $41,875 and $1,000 in Column c.

PART V — SCHEDULE OF ASSIGNMENT OF TAXES BY DISTRICT *(Figure 8)*

Indicate the taxation district in which you conducted your business activities during the tax year in Part V.

IMPORTANT: ALL taxpayers MUST complete Part V and may be subject to a penalty of 10% of the combined State and county surcharge taxes for noncompliance.

Step 20 — If you did not have any activity for the entire year, darken the oval for your District. Otherwise:

1) IF you did business in only ONE District, darken the oval for that taxation district.
2) IF you did business in MORE THAN one District, darken the oval "MULTI" and attach Form G-75, Assignment of General Excise/Use Taxes By Districts.

Mary must complete the Schedule of Assignment of Taxes By District. She darkens the oval for Multi since she did business in more than one district. Mary must also complete Form G-75.

PART VI - TOTAL RETURN AND RECONCILIATION

		TAXABLE INCOME Column c	TAX RATE Column d		TOTAL TAX Column e = Column c X Column d
24.	Enter the amount from Part I, line 7	(11) .00	x .005	24.	(21)
25.	Enter the amount from Part II, line 17	(12) 42 875 .00	x .04	25.	(22) 1 715 .00
26.	Enter the amount from Part III line 18, Column c	(16) .00	x .0015	26.	(23)
27.	COUNTY SURCHARGE TAX. See instructions for Part IV. Multi district complete Form G-75			27.	(24) 214 38
28.	TOTAL TAXES DUE. Add column e of lines 24 through 27 and enter result here (but not less than zero). If you did not have any activity for the period, enter "0.00" here.			28.	(25) 1 929 38
29.	Amounts Assessed During the Period. PENALTY $ INTEREST $	(26)		29.	
30.	TOTAL AMOUNT. Add lines 28 and 29			30.	(27) 1 929 38
31.	TOTAL PAYMENTS MADE LESS ANY REFUNDS RECEIVED FOR THE TAX YEAR			31.	(28) 1 929 38
32.	CREDIT CLAIMED ON ORIGINAL ANNUAL RETURN. *(For Amended Return ONLY)*			32.	(29)
33.	NET PAYMENTS MADE. Line 31 minus line 32			33.	(30) 1 929 38
34.	CREDIT TO BE REFUNDED. Line 33 minus line 30			34.	(31) 0 00
35.	ADDITIONAL TAXES DUE. Line 30 minus line 33			35.	(32) 0 00
36.	FOR LATE FILING ONLY ➔ PENALTY $ INTEREST $	(33)		36.	
37.	TOTAL AMOUNT DUE AND PAYABLE (Add lines 35 and 36)			37.	(34) 0 00
38.	PLEASE ENTER THE AMOUNT OF YOUR PAYMENT. If you are NOT submitting a payment with this return, please enter "0.00" here.			38.	(35)
39.	GRAND TOTAL OF EXEMPTIONS/DEDUCTIONS CLAIMED. (Attach Schedule GE) If Schedule GE is not attached, exemptions/deductions claimed will be disallowed.			39.	(36) .00

G49_C 2019A 02 VID01

Form G-49 (Rev. 2019) 16

Figure 9. How to Fill in the Columns for General Excise and Use Taxes

On line 25, Column c, Mary enters $42,875, which is the amount from Part II, line 17. Mary multiplies $42,875 by the tax rate of .04 and enters $1,715.00 in Column e.

Mary completes Form G-75 and enters on line 27e the total of line 27 Columns a thru d from Form G-75, which totals $214.38.

Mary adds lines 25 and 27 and enters the result, $1,929.38, on line 28.

PART VI — TOTAL RETURN AND RECONCILIATION *(Figure 9)*

Calculate the total amount of taxes due for the tax year in Part IV.

Step 21 — Multiply by the taxable amount on line 24, Column c by the tax rate of .005 (line 24, Column d) and enter the result, *including the cents*, on line 24, Column e. The result is the General Excise and Use Taxes @ ½ of 1% (.005) due. If the result is zero, enter "0.00."

Step 22 — Multiply the taxable income amount on line 25, Column c by the rate of .04 (line 25, Column d) and enter the result, *including the cents*, on line 25, Column e. The result is the General Excise and Use Taxes @ 4% (.04) due. If the result is zero, enter "0.00."

Step 23 — Multiply the taxable income amount on line 26, Column c by the tax rate of .0015 (line 26, Column d) and enter the result, *including the cents*, on line 26, Column e. The result is the GET on Insurance Commissions @.15% (.0015) due. If the result is zero, enter "0.00."

Step 24 — If you selected "Multi," complete Form G-75, total the amounts on Form G-75, line 27 Columns a thru d and enter the amount on line 27. If you did business only in one district that has a county surcharge, multiply line 17c by your district's county surcharge tax rate and enter the amount on line 27. If you did business only in the Maui district, enter "0.00."

Step 25 — Add the amounts in Column e of lines 24 through 27. Enter the sum on line 28. This is the "TOTAL TAXES DUE."

CAUTION: *LINE 28 MUST BE FILLED IN. If you did not have any activity for the year, enter "0.00" here.*

Step 26 — Add all the penalties and interest which have been assessed on taxes owed on the periodic tax returns, enter the results to the right of "PENALTY $" and "INTEREST $," and enter the total of the two amounts on line 29.

Step 27 — Add lines 28 and 29, and enter the total on line 30, "TOTAL AMOUNT."

Step 28 — Add the total amount of taxes paid with your periodic tax returns, delinquency notices, and assessment notices less any refunds received for the current tax year, and enter the result on line 31 "TOTAL PAYMENTS MADE DURING THE YEAR LESS ANY REFUNDS RECEIVED FOR THE TAX YEAR."

Step 29 — For Amended Return ONLY, see Instructions for Filing an Amended Form G-49.

Step 30 — Subtract line 32 from line 31 and enter the "NET PAYMENTS MADE" on line 33.

Step 31 — Compare the amounts on lines 30 and 33. If the amount on line 30 is THE SAME AS line 33, go on to Step 36.

If the amount on line 30 is LESS THAN line 33, subtract line 30 from line 33 and enter the amount on line 34, "CREDIT TO BE REFUNDED." Go on to Step 36.

Step 32 — If the amount on line 30 is MORE THAN line 33, subtract line 33 from line 30 and enter the "ADDITIONAL TAXES DUE" on line 35.

Step 33 — If you file a tax return after the due date, and if there is tax due on the return, then you must compute penalty and interest charges. After computing the amounts, enter the results to the right of "PENALTY $" and "INTEREST $" and enter the total of the two amounts on line 36.

If you need help computing the penalty and interest, please call the Taxpayer Services Branch for assistance at 808-587-4242 or toll-free at 1-800-222-3229; or leave these lines blank, and the Department will compute the charges for you and send you a bill.

Step 34 — Add the amounts on lines 35 and 36, and enter the "TOTAL AMOUNT DUE AND PAYABLE" on line 37.

Step 35 — **NOTE**: If you are NOT submitting a check with your return, enter "0.00" on line 38.

Write the "AMOUNT OF YOUR PAYMENT," including any penalty and interest, on line 38. Mail your check or money order for this amount payable to "Hawaii State Tax Collector" in U.S. dollars drawn on any U.S. bank to the P.O. Box below. Write the filing period, your Hawaii Tax I.D. No., and your daytime phone number on your check or money order.

Send your check or money order and Form G-49 with the required forms and attachments (Schedule GE and Form G-75 if applicable) to:

Hawaii Department of Taxation
P.O. Box 1425
Honolulu, HI 96806-1425

DO NOT SEND CASH. Form G-49, including an amended return, can also be filed and payment made electronically at **hitax.hawaii.gov**.

Step 36 — If you are claiming any exemptions for the tax year, complete Schedule GE (Form G-45/G-49), General Excise/Use Tax Schedule of Exemptions and Deductions, enter the "GRAND TOTAL OF EXEMPTIONS/DEDUCTIONS CLAIMED" from Schedule GE (Form G-45/G-49) on line 39, and attach Schedule GE (Form G-45/G-49) to Form G-49.

Step 37 — Sign your name and write your title, date and daytime phone number in the spaces provided on page 1 of the Form G-49 (see Figure 5).

IMPORTANT: *Please fill in each column of your business activity(ies) with a dollar amount or zero (0) or processing errors will result. Also, write the filing period (e.g., tax year ending 12-31-23), your Hawaii Tax I.D. No., and your daytime phone number on your check or money order, if applicable, so that it may be properly credited if it is accidentally separated from the tax return.*

INSTRUCTIONS FOR FILING AN AMENDED FORM G-49

If you file your Form G-49 and later become aware of any changes you must make to reported income and/or exemptions, you may file an amended return on Form G-49 to change the Form G-49 you already filed. Darken the oval at the top of page 1 of Form G-49 to designate that this is an amended return. The steps below refer to the steps in Figures 1 through 10.

Steps 1 through 25 — Enter the correct amounts of values, gross proceeds or gross income, exemptions, taxable income, and taxes due which should have been reported on the original Form G-49. (**NOTE**: Entries which were correctly reported on the original Form G-49 also must be entered on the appropriate line(s). **Failure to do so will result in a change from the correct amount to -0-.**)

Step 26 — Enter on line 29 the amounts of any penalty and/or interest assessed as of the date the amended return is filed. Penalty and interest are generally assessed because the original returns were filed after the filing deadline or because the taxes due were not paid in full by the filing deadline.

Step 28 — Enter on line 31 the total amount of taxes, additional assessments, and penalty and/or interest paid less any refunds received for the tax year. Include payments made with the original periodic and annual returns as well as any supplemental payments made after they were filed. REMINDER: Payments are applied first to recover costs incurred by the Department, then to any interest due, then to penalties, and finally, to taxes.

Step 29 — Enter on line 32 the amount of credit claimed on your original Form G-49. Subtract line 32 from line 31 and enter the "NET PAYMENTS MADE" on line 33.

Step 31 — If line 30 is LESS THAN line 33, subtract line 30 from line 33 and enter the result on line 34, "CREDIT TO BE REFUNDED."

Step 32 — If line 30 is MORE THAN line 33, subtract line 33 from line 30 and enter the result on line 35, "ADDITIONAL TAXES DUE."

Step 33 — If the amended Form G-49 is being filed after the due date of the original Form G-49, and if there is an amount entered on line 35, enter on line 36 the amount of any penalty and/or interest now due. On a timely filed original Form G-49, a penalty of 20% of the tax due will be assessed if any tax remains unpaid after 60 days from the prescribed due date of the original Form G-49. This penalty is applicable to amended Form G-49s for timely filed original Form G-49s. Interest at the rate of 2/3 of 1% per month or part of a month shall be assessed on unpaid taxes and penalties assessed beginning with the first calendar day after the date prescribed for payment, whether or not that first calendar day falls on Saturday, Sunday, or legal holiday.

Step 34 — Add lines 35 and 36 and enter the total on line 37, "TOTAL AMOUNT DUE AND PAYABLE."

Step 35 — Enter on line 38 the amount of any payment made with the amended Form G-49. If the amended Form G-49 is filed after the due date of the original Form G-49, include any additional penalty and interest in your payment. Mail your check or money order for this amount payable to "Hawaii State Tax Collector" in U.S. dollars drawn on any U.S. bank to the P.O. Box below. Write the filing period, your Hawaii Tax I.D. No., and your daytime phone number on your check or money order.

Send your check or money order and your amended Form G-49 with the required forms and attachments (Schedule GE and Form G-75 if applicable) to:

Hawaii Department of Taxation
P.O. Box 1425
Honolulu, HI 96806-1425

DO NOT SEND CASH. An amended Form G-49 can also be filed and payment made electronically at **hitax.hawaii.gov**.

Step 36 — If any exemptions are claimed, complete and attach Schedule GE to the amended Form G-49. The amount and type of exemptions claimed must be completed even if reported correctly on the original Form G-49 filed. Enter the total of all exemptions reported on Schedule GE on line 39.

Step 37 — Sign your name and write your title, date and daytime phone number in the spaces provided on page 1 of the amended Form G-49 (see Figure 4).

IMPORTANT: *Please fill in each column of your business activity(ies) with a dollar amount or zero (0) or processing errors will result. Also, write the filing period (e.g., tax year ending 12-31-23, your Hawaii Tax I.D. No., and your daytime phone number on your check or money order, if applicable, so that it may be properly credited if it is accidentally separated from the tax return.*

SCHEDULE OF GENERAL EXCISE TAX EXEMPTIONS AND DEDUCTIONS

(NOTE: ALL SECTION REFERENCES ARE TO THE HAWAII REVISED STATUTES)

Unless the following instructions tell you not to report the exempt amounts, you must report on Schedule GE (Form G-45/G-49) the exemptions you are claiming on Forms G-45 and G-49. For circumstances under which an exemption is permitted or allowed, refer to the following sections:

Affordable Housing: Gross income received by a qualified person or firm for the planning, design, financing, construction, sale, rental, or lease of a housing project certified under section 46-15.1 or 201H-36 by a qualified state agency or a county is exempt. Report these amounts with ED Code 100 on the Schedule GE (Form G-45/G-49). For more information, see Form G-37 or contact the Hawaii Housing Finance and Development Corporation at 808-587-0597. *(Sections 46-15.1, 201H-36, and 237-29.)*

Air Pollution Control Facility: Gross proceeds from and the tangible personal property furnished in conjunction with the construction, reconstruction, erection, operation, use, or maintenance of an air pollution control facility (APCF) are exempt. The APCF must be certified by the Department of Health (DOH) at least once every five years and file this certification with the Department of Taxation (DOTAX). An exemption may not be claimed if the APCF does not have a valid certificate from DOH on file with DOTAX. Report these amounts with ED Code 101 on the Schedule GE (Form G-45/G-49). *(Section 237-27.5.)*

Aircraft Leasing: Amounts received as rent for the rental or leasing of aircraft or aircraft engines that is used by the lessee for interstate air transportation of passengers and goods are exempt. Report these amounts with ED Code 102 on the Schedule GE (Form G-45/G-49). *(Section 237-24.3(11).)*

Aircraft Service and Maintenance Facility: Amounts received from the servicing and maintenance of certain types of aircraft or from the construction of a qualified aircraft service and maintenance facility in the State are exempt. Report these amounts with ED Code 103 on the Schedule GE (Form G-45/G-49). *(Section 237-24.9.)*

Alimony: Alimony and other similar payments and settlements are exempt. Do not report these amounts. *(Section 237-24(7).)*

Bad Debts: For accrual basis taxpayers, accounts that are actually charged off as worthless for income tax purposes may be deducted in Column b. Report these amounts with ED Code 104 on the Schedule GE (Form G-45/G-49). No deduction may be taken for a bad debt reserve. If accounts written off are later collected, the collection is included in Column a for the period in which it was received. *(Section 237-3(b).)*

Beverage Container Deposit: "Bottle Bill" Amounts received as a beverage container deposit collected under chapter 342G, part VIII, HRS are exempt. Do not report these amounts. *(Section 237-24.75(1).)* For more information, see Announcement No. 2002-20.

Casual Sales: Proceeds from a casual sale are not taxed. A casual sale means an occasional, isolated, irregular, infrequent, or incidental sale or transaction involving tangible personal property that is not ordinarily sold in the usual course of a trade or business. Sales of inventory, or sales that are carried out on a systematic basis, such as when a rental car company sells its rental cars in order to make way for new ones to rent, do not qualify as casual sales. For details, see section 18-237-1, HAR. Do not report these amounts. *(Section 237-2.)*

Certain Convention, Conference, and Trade Show Fees: All of the value or gross income derived by a fraternal benefit, religious, charitable, scientific, educational, or other nonprofit organization under section 501(c) of the Internal Revenue Code from fees for convention, conference, or trade show exhibit or display spaces is exempt. Report these amounts with ED Code 105 on the Schedule GE (Form G-45/G-49). *(Section 237-16.8.)*

Common Paymaster Exception: If employees work for more than one related corporation, one of the corporations may pay the employees on behalf of all employers. If so, the intercompany transfers of funds to the common paymaster are exempt. Report these amounts with ED Code 106 on the Schedule GE (Form G-45/G-49). *(Section 237-23.5(b).)* See also the exemptions for hotel operators, hotel suboperators, and orchard operators on the following page.

Contracting Activity in an Enterprise Zone: Gross proceeds received by a contractor for construction within an enterprise zone performed for a qualified business within an enterprise zone are exempt. Report these amounts with ED Code 107 on the Schedule GE (Form G-45/G-49). The designation of enterprise zones and the certification of qualified businesses are administered by the Department of Business, Economic Development, and Tourism (DBEDT). *(Section 209E-11.)*

Damages for Personal Injuries and Property Damage: Compensatory damages for personal injuries or defamation, or compensatory damages for damage to property, are exempt. Do not report these amounts. *(Section 237-24(5).)* Punitive damages, and any damages for breach of contract, are taxable if the damages are connected to business in which you are or were engaged in.

Diplomats and Consular Officials, Sales to: Amounts received from foreign diplomats and consular officials who are holding cards issued by the U.S. Department of State granting them an exemption from state taxes are exempt. Report these amounts with ED Code 110 on the Schedule GE (Form G-45/G-49). *(Section 237-24.3(10).)* The tax exemption, however, is not applicable to taxes imposed on telecommunication services, other utilities, or gasoline purchases. See Department of Taxation Announcement Nos. 2000-07, 2011-25, and 2013-03, Tax Facts 2016-1 for more information.

Disability Provisions: The first $2,000 of gross income earned by any blind, deaf, or totally disabled person is exempt. Report these amounts with ED Code 111 on the Schedule GE (Form G-45/G-49). *(Section 237-24(13).)* The qualifying person must have a completed Form N-172 on file with the Department in order to claim this exemption. For more information, see TIR Nos. 89-3, 2022-01 and Department of Taxation Announcement 2002-6.

Discounts and Returned Merchandise: Cash or other discounts on the price of articles sold are considered price adjustments and should be subtracted in figuring the amount to report in Column a. Cash or store credit that is given for returned merchandise is deductible and should be entered in Column b of the same line on which the merchandise sales were reported. Report these amounts with ED Code 112 on the Schedule GE (Form G-45/G-49). *(Section 237-3(b).)*

Dividends and Distributions: Dividends and other distributions of income or profit from corporations, partnerships, and trusts are not taxable. Do not report these amounts. *(Section 237-3(b).)* The exemption does not apply if the distribution is a payment due to transaction of business with the shareholder, partner, member, or beneficiary.

Drugs and Prosthetic Devices: Sales to individuals by a hospital, infirmary, medical clinic, health care facility, pharmacy, or practitioner licensed to administer drugs or prosthetic devices are exempt. Report these amounts with ED Code 113 on the Schedule GE (Form G-45/G-49). *(Section 237-24.3(6).)* Prosthetic devices do not include such items as glasses, hearing aids, or dentures. For more information, see TIR No. 86-4.

Employee Benefit Plans: Amounts received by an employee benefit plan such as contributions, dividends, and interest are exempt and do not need to be reported. Amounts received by a nonprofit organization or office such as payments for costs and expenses incurred for the administration of an employee benefit plan are also exempt; however, these amounts must be reported and explained. Report these amounts with ED Code 114 on the Schedule GE (Form G-45/G-49).*(Section 237-24.3(4).)*

Enterprise Zones: There are tax incentives for businesses in properly designated enterprise zones (EZ). Designation of zones and certification of businesses in those zones are administered by DBEDT. Report these amounts with ED Code 115 on the Schedule GE (Form G-45/G-49). *(Section 209E-11.)* ***Caution:*** Not all sales which count towards an EZ company's qualification for the tax benefits as set by DBEDT are exempt from the GET since some types of sales can be used in determining whether an EZ company has met the annual requirements for certification, but those same sales may not necessarily be exempt from the GET. For example, retail sales of agricultural goods produced or processed in the EZ will count towards an EZ company's annual certification, but the sales are not exempt from the GET, unless they are sales of genetically modified agricultural products.

Exported Intangibles: The value or gross proceeds received by a seller from the sale of intangible(s) for consumption or use outside of the State are exempt, provided the customer furnishes Form G-61 certifying as such to the seller. Report these amounts with ED Code 156 on the Schedule GE (Form G-45/G-49). *(Section 237-29.57.)*

Exported Services: The value or gross proceeds received by a contractor, service provider, or seller from the sale of contracting or services to a customer for resale, consumption, or use outside of the State are exempt, provided the customer furnishes Form G-61 certifying as such to the contractor, service provider, or seller. Report these amounts with ED Code 116 on the Schedule GE (Form G-45/G-49). *(Section 237-29.53.)* For more information, see Announcement No. 2018-05.

Exported Tangible Personal Property: See Out of State Sales.

Federal Cost-Plus Contractors: If you are a federal cost-plus contractor, you may elect to

deduct any amounts that you were reimbursed under the contract for materials, plant, or equipment. Report these amounts with ED Code 117 on the Schedule GE (Form G-45/G-49). In addition, you must certify that you are taxable with respect to the gross proceeds of the sale, and that you elect to have the tax on the gross income computed the same as upon a sale to the state government. Please attach the certification on a separate sheet. *(Section 237-13(3)(C).)*

Federally Preempted Amounts: Gross income is not taxed if the Constitution and laws of the United States prohibit the State of Hawaii from taxing it. If you are claiming this exemption, you must enter the amount claimed to be exempt in Column b, and report with ED Code 118 on the Schedule GE (Form G-45/G-49). If the amount claimed is exempt due to federal preemption, provide an explanation of the exemption and the federal statute (i.e., title and section of the United States Code) under which the exemption is claimed in Part II on Schedule GE. *(Section 237-22.)*

If your business earns interest from buying U.S. Treasury obligations or similar instruments, check TIR No. 84-1 for a list of obligations for which interest is exempt. If the kind of bond or obligation that you have is listed as exempt, please identify the type of obligation that it is, and refer to "TIR No. 84-1" in your explanation of the exemption.

Food Stamps: Amounts received for purchases made with USDA food coupons or vouchers under the federal food stamp program, or the Special Supplemental Food Program for Women, Infants and Children, are exempt. Report these amounts with ED Code 119 on the Schedule GE (Form G-45/G-49). *(Section 237-24.3(5).)*

Foreign Trade Zone Sales: Sales of privileged foreign merchandise, nonprivileged foreign merchandise, domestic merchandise, or zone-restricted merchandise which are admitted into a foreign-trade zone and made directly to any common carrier in interstate or foreign commerce for consumption out-of-state are exempt, provided that the sale takes place entirely within the zone. See TIR No. 2021-07 for more information. Report these amounts with ED Code 120 on the Schedule GE (Form G-45/G-49). *(Section 212-8.)*

Foster Parents: Foster parents are not taxable on amounts they receive from the State or eleemosynary child-placing organizations for their care of children in foster homes. Do not report these amounts. *(Section 237-24(15).)*

Gifts and Bequests: Any property acquired by gift, bequest, or devise is exempt. Do not report these amounts. *(Section 237-24(4).)*

Green Infrastructure Fee, Green Infrastructure Charge and Green Infrastructure Special Fund: Amounts received by an electric utility for the green infrastructure fee and the green infrastructure charge is exempt. The amounts deposited into the green infrastructure special fund is also exempt. Do not report these amounts. *(Sections 196-65(c), 269-168(a) and 269-172(b).)*

Hawaii Convention Center Operator: Amounts received after June 13, 2007, by the operator of the Hawaii convention center for reimbursement of costs or advances made pursuant to a contract with the Hawaii tourism authority under section 201B-7 are exempt. Report these amounts with ED Code 121 on the Schedule GE (Form G-45/G-49). *(Section 237-24.75(2).)*

Hotel Operator: Amounts received by the operator of a hotel from the owner of the hotel or from a timeshare association, and disbursed by the hotel operator for employee wages, salaries, payroll taxes, insurance premiums and benefits (including retirement, vacation, sick pay, and health benefits) are exempt. Report these amounts with ED Code 122 on the Schedule GE (Form G-45/G-49). *(Section 237-24.7(1).)*

Hotel Suboperator: Amounts received by the suboperator of a hotel from the owner of the hotel, from a timeshare association, or from the operator of the hotel, and disbursed by the hotel suboperator for employee wages, salaries, payroll taxes, insurance premiums and benefits (including retirement, vacation, sick pay, and health benefits) are exempt. Report these amounts with ED Code 122 on the Schedule GE (Form G-45/G-49). *(Section 237-24.7(1).)*

Insurance Proceeds: Amounts received under life insurance contracts because of the death of the insured *(section 237-24(1))*, amounts received under life insurance, endowment, or annuity contracts paid either during the term of the contract or at maturity *(section 237-24(2))*, or amounts received under an accident, health, or worker's compensation policy because of personal injuries, death, or sickness (*section 237-24(3))* are all exempt. Do not report these amounts.

If a person receives amounts under fire or accident policies to repair or replace damaged property, the amounts could qualify as money received because of casual sales (discussed earlier). Amounts paid under business interruption insurance contracts to replace lost income, or amounts paid under any insurance contracts to repair or replace inventory property, including crop losses, are considered taxable. Report all of these amounts on the "All Others" line in Part II of Forms G-45 and G-49, even if the insurance proceeds replace inventory property that otherwise would have been sold at wholesale. For more information, see TIR No. 92-7. If the damage or loss of inventory property took place in an area declared a natural disaster area, an exemption may be claimed under "Insurance Proceeds Received Because of a Natural Disaster."

Insurance Proceeds Received Because of a Natural Disaster: If you receive amounts under property and casualty insurance policies for damage or loss of inventory used in a trade or business located within an area declared a natural disaster area by the Governor, this exemption applies. Report these amounts with ED Code 123 on the Schedule GE (Form G-45/G-49). *(Section 237-24.7(6).)*

Intercompany Charges: Charges for legal, accounting, managerial, and administrative services (including related overhead costs) furnished by one related entity to another, or interest on loans or advances to related entities, are not taxable. The amount received, charged, or attributable to services using computer software and hardware, information technology services, and database management that is furnished by one related entity to another related entity is exempt. Related entities are generally those related through 80% common ownership and at least 80% of the total voting power. Report these amounts with ED Code 124 on the Schedule GE (Form G-45/G-49). *(Section 237-23.5(a).)*

Labor Organizations: A labor organization that is exempt from federal income tax under section 501(c)(5) of the Internal Revenue Code is not taxable on rents for real property leased to: (A) another labor organization, or (B) a trust providing membership service programs such as a pension plan, a common fund for medical or hospital care, or apprenticeship and training. Report these amounts with ED Code 125 on the Schedule GE (Form G-45/G-49). *(Section 237-24.3(9).)*

Leases and Subleases of Real Property: A deduction is allowed to a taxpayer (sublessor) who leases real property from a lessor under a written lease, and subsequently subleases that same real property to a sublessee under a written lease. The deduction is computed by multiplying the gross proceeds paid by the taxpayer to the lessor by 0.875. The taxpayer calculates the sublease deduction using Form G-72. In addition, the lessor's name and lessor's Hawaii Tax I.D. No. must be provided in Part IV on Schedule GE. Report these amounts with ED Code 126 on the Schedule GE (Form G-45/G-49). *(Section 237-16.5.)*

Maintenance Fees: Amounts received by the manager, submanager, or board of directors of: (1) an association of a condominium property regime established under HRS chapter 514B or any predecessor thereto *(section 237-24.3(2))*; (2) a nonprofit homeowners or community association incorporated in accordance with 414D (*section 237-24.3(2));* or (3) a qualifying cooperative housing corporation *(section 237-24(16))*; in reimbursement of sums paid for common expenses such as maintenance fees are exempt. Report these amounts with ED Code 127 on the Schedule GE (Form G-45/G-49). If you are not a manager, submanager, or a board of directors to an entity of (1), (2), or (3) above, you do not qualify for this exemption.

Mass Transit: Income of the operator of a mass transit system (of motorized buses) is exempt, if a political subdivision owns the property and the facilities of the county transportation system (including buses, real estate, parking garages, fuel pumps, etc.). Report these amounts with ED Code 128 on the Schedule GE (Form G-45/G-49). *(Section 237-24.7(2).)*

Merchants' Association Dues: Amounts received from the membership of an unincorporated merchants' association as dues for advertising or promotion are exempt, as long as the advertising and promotion are for the benefit of the membership as a whole and not for an individual member or subgroup of members. Report these amounts with ED Code 129 on the Schedule GE (Form G-45/G-49). *(Section 237-24.3(8).)*

Non-profit Organizations: Amounts received by certain non-profit fraternal, religious, charitable, scientific, educational, community or social welfare groups and hospitals, infirmaries and sanitaria organizations may be exempt. Report these amounts with ED Code 130 on the Schedule GE (Form G-45/G-49). However, **ALL** fundraising activities are taxable and must be reported. *(Section 237-23.)* See TIR Nos. 2010-05 and 2011-04 for licensing and reporting requirements, and TIR Nos. 89-6, 89-13, 91-2, and 91-4, and Tax Facts No. 98-3 for more information.

Orchard Operator: Amounts received by the operator of orchard properties from the owner of the orchard property specifically to cover the costs of employee wages, salaries, payroll taxes, insurance premiums and benefits (including retirement, vacation, sick pay, and health benefits) are exempt. Report these amounts with ED Code 131 on the Schedule GE (Form G-45/G-49). *(Section 237-24.7(4).)*

Out of State Sales: The value or gross proceeds received by a manufacturer, producer, or seller of tangible personal property shipped to a point outside of the State where it is resold or otherwise consumed or used outside the State are exempt, provided the purchaser furnishes Form G-61 certifying as such to the manufacturer, producer, or seller. Report these amounts with ED Code 132 on the Schedule GE (Form G-45/G-49). (*Section*

237-29.5(1).) For more information, see TIR No. 98-5.

Out of State Services: See Exported Services.

Patient-Centered Community Care: Amounts received by a Patient-Centered Community Care (PCCC) contractor used to pay third party health care providers pursuant to a contract with the United States are exempt. According to the U.S. Department of Veterans Affairs website (https://va.gov/COMMUNITYCARE/programs/veterans/PCCC/index.asp), the contractor for Hawaii is Tri-West Healthcare Alliance Corp. This exemption does not apply to third party health care providers receiving payments under this program. The payments received by third party health care providers are subject to tax. Report these amounts with ED Code 134 on the Schedule GE (Form G-45/G-49). *(Section 237-24(17).)*

Petroleum Refining: Petroleum products refined in Hawaii that will be further refined by another taxpayer are exempt. Report these amounts with ED Code 135 on the Schedule GE (Form G-45/G-49). *(Section 237-27.)*

Potable Water: Amounts received by non-profit organizations exempt under section 501(c)(12) of the Internal Revenue Code for providing potable water to residential communities that have no access to public utility water services are exempt. Report these amounts with ED Code 136 on the Schedule GE (Form G-45/G-49). *(Section 237-23(a)(7).)*

Professional Employer Organizations: Amounts received after June 30, 2007, by a professional employer organization (PEO) that is registered with the Department of Labor and Industrial Relations pursuant to Chapter 373L, HRS, from a client company equal to amounts that are disbursed by the PEO for employee wages, salaries, payroll taxes, insurance premiums, and benefits, including retirement, vacation, sick leave, health benefits, and similar employment benefits with respect to assigned employees at a client company are exempt; provided that this exemption shall not apply to a PEO upon failure of the PEO to collect, account for, and pay over any income tax withholding for assigned employees or any federal or state taxes for which the PEO is responsible. The PEO must comply with the registration requirements under Chapter 373L, HRS, in order to claim the exemption. Report these amounts with ED Code 137 on the Schedule GE (Form G-45/G-49). *(Section 237-24.75(3).)*

Reimbursements of Payroll Costs: Amounts received by a management company from related entities engaged in the business of selling interstate or foreign telecommunication services as reimbursements of payroll costs incurred in managing or operating the related entities' employees are exempt. Report these amounts with ED Code 140 on the Schedule GE (Form G-45/G-49). *(Section 237-24.7(9).)* Related entities are generally those related through 80% common ownership and at least 80% of the total voting power.

Sale of Land in Fee Simple (improved or unimproved): Gross proceeds from the sale of land in fee simple are generally exempt. *(Section 237-3(b).)* If leasehold land is sold, especially by the lessor, part of the proceeds from the sale may be considered rent and would need to be reported on the "Other Rentals" line in Part II of Forms G-45 and G-49. For details, see General Excise Tax Memorandum No. 3 and General Excise Tax Memorandum No. 3A. Land in fee simple does not include furniture, fixtures, and equipment. If these items are being sold, see "Casual Sales" above.

Contractors, developers, and dealers in real estate must report the gross sale proceeds from their projects in Column a, and include in Column b (and report with ED Code 139 on the Schedule GE (Form G-45/G-49)) the amount attributable to the sale of land in fee simple.

Sales of Goods to the Federal Government and Credit Unions: Sales of tangible property to the federal government and state and federal credit unions are exempt. Report these amounts with ED Code 141 on the Schedule GE (Form G-45/G-49). *(Section 237-25(a).)* This exemption does not apply to federal cost-plus contractors or service providers (even if the service provider separately bills for the item of tangible personal property). For more information, see TIR Nos. 2001-3 and 2005-1. **NOTE:** Services provided to the federal government and credit unions are taxable.

Sales Tax Offset: A use tax and GET offset may be claimed for taxes paid to another state on property, services or contracting imported into the State for resale. Taxes paid for manufacturing, extraction, and the like, as well as license fees or transfer taxes, may not be taken as a credit against Hawaii use taxes due. Report these amounts with ED Code 154 on the Schedule GE (Form G-45/G-49). *(Section 237-22(b).)*

Scientific Contracts: Gross proceeds from certain scientific contracts with the federal government are exempt. Report these amounts with ED Code 142 on the Schedule GE (Form G-45/G-49). *(Section 237-26.)* For more information, see TIR No. 35-71.

Senior Citizens' Fair: Proceeds of an annual senior citizens' fair held by a county commission on aging or appropriate county agencies on aging are exempt. Do not report these amounts. *(Section 349-10.)*

Services Related to Ships and Aircraft: Amounts received from the loading or unloading of ships or aircraft; tugboat services including pilotage fees and towage of ships, barges, or vessels in and out of harbors or from one pier to another; and the transportation of pilots or governmental officials to ships, barges or vessels offshore; rigging gear; checking freight and similar services; standby charges; and use of moorings and running mooring lines are exempt. Report these amounts with ED Code 143 on the Schedule GE (Form G-45/G-49). *(Section 237-24.3(3).)*

Shipbuilding and Ship Repairs: Gross proceeds arising from shipbuilding and ship repairs rendered to surface vessels federally owned or engaged in interstate or international trade are exempt. Report these amounts with ED Code 144 on the Schedule GE (Form G-45/G-49). *(Section 237-28.1.)*

Shipping and Handling of Agricultural Commodities: Amounts received for loading, unloading and shipping of agricultural commodities between islands in the State from a producer or produce dealer are exempt. Report these amounts with ED Code 145 on the Schedule GE (Form G-45/G-49). *(Section 237-24.3(1).)*

Small Business Innovation Research Grants: Amounts received as grants awarded by the Hawaii Technology Development Corporation under section 206M-15, that supplement federal small business innovation research phase I, II, or III awards or contracts are exempt. Report these amounts with ED Code 146 on the Schedule GE (Form G-45/G-49). *(Section 237-24.7(10).)*

Stock Exchange Transactions: Certain amounts received by a domestic or foreign stock exchange, and certain amounts received by exchange members by reason of executing a securities or product transaction on an exchange, are exempt. Report these amounts with ED Code 147 on the Schedule GE (Form G-45/G-49). *(Section 237-24.5.)*

Stocks, Bonds, and Commodity Futures: Gross proceeds from the sale of securities, commodity futures, and bonds are exempt and do not have to be reported. *(Section 237-3(b).)* If you are selling bonds with accrued but unpaid interest, the interest is considered income that is received when the bond is sold. The interest does not qualify for this exclusion and may need to be reported on the "Interest" line in Part II of Forms G-45 and G-49. For example, if you purchased an out-of-state municipal bond at a discounted price and sell it for an appreciated price, the difference is considered accrued, but unpaid, interest and that portion would be taxable and reported on the "Interest" line in Part II of Forms G-45 and G-49. **NOTE:** Federal bonds' accrued interest are exempt. See "Federally Preempted Amounts" discussed earlier.

Subcontract Deduction: A prime contractor (or a developer) may be eligible for a deduction in the amount of payments made to a subcontractor or a specialty contractor. The subcontractor's name, the subcontractor's Hawaii Tax I.D. No., and the amount of deduction must be provided in Part III on Schedule GE. Report these amounts with ED Code 148 on the Schedule GE (Form G-45/G-49). *(Section 237-13(3)(B).)*

Sugar Cane Payments to Independent Producers: Certain payments to independent sugar cane producers are exempt. Report these amounts with ED Code 149 on the Schedule GE (Form G-45/G-49). *(Section 237-24(14).)*

Taxes Passed On: Amounts received to pay the following taxes are exempt. Each amount should be reported and explained. Report these amounts with ED Code 150 on the Schedule GE (Form G-45/G-49).

Fuel taxes collected by distributors. *(Section 237-24(8).)*

Hawaii liquor taxes collected by dealers. *(Section 237-24(9).)*

Hawaii cigarette and tobacco taxes paid by wholesalers. *(Section 237-24(10).)*

Federal excise taxes imposed on articles sold at retail and collected from purchasers. *(Section 237-24(11).)*

Federal taxes imposed on sugar manufactured in Hawaii. *(Section 237-24(12).)*

Transient accommodations taxes visibly and separately passed on. *(Section 237-24.3(7).)*

Rental motor vehicle, tour vehicle & car-sharing vehicle surcharge taxes visibly passed on. *(Section 237-24.7(3).)*

Trade-Ins: For trade-ins, a merchant reduces the price of the new article by the amount of the trade-in allowance. The trade-in allowance is considered a price adjustment and is subtracted from the new article's sales price and the net amount is reported in Column a. Any later sale of the traded-in article is reportable at the time of that sale. *(Section 237-3(b).)*

Wages: Amounts received as salaries or wages for services rendered by an employee to an employer are exempt. If your employer is withholding payroll taxes on these wages, you do not have to report them. If you are being paid as an independent contractor, or if payroll taxes are not being withheld, these amounts are

taxable and must be reported and explained. *(Section 237-24(6).)*

Wholesale Amusements: A deduction is allowed for qualified sales of amusements to a licensed seller engaging in a business or calling in the context of an amusement-to-service, amusement-to-tpp, or amusement-to-amusement transaction that meets the requirements in section 237-4(a)(13), HRS. The deduction is computed by multiplying the gross income received from qualified sales of amusements at wholesale by 0.875. The taxpayer calculates the deduction using Form G-81. Report these amounts using ED code 152 on the Schedule GE (Form G-45/G-49). *(Section 237-4(a)(13).)*

Wholesale Transactions: Amounts received from the sales of tangible personal property imported into the State by a licensed taxpayer to another licensed taxpayer for subsequent resale at wholesale are exempt, provided the customer furnishes Form G-17 certifying as such to the seller. Report these amounts with ED Code 153 on the Schedule GE (Form G-45/G-49). For more information, see TIR No. 98-8. *(Section 237-29.55.)*

DIVISION OF GROSS INCOME AMONG TAXPAYERS

In general, as mentioned above, the GET is imposed on gross income and no deductions are allowed for costs of producing that income. In the following special situations, however, the law recognizes the division of gross receipts among the taxpayers responsible for those receipts. Taxpayers in these situations report their respective shares of the gross income received on the Schedule GE (Form G-45/G-49).

Coin Operated Devices: Gross receipts are divided between the owner (or operator) of the device and the owner (or operator) of the premises on which the machine is located. *(Section 237-18(a).)*

Insurance Agents and Realtors: Gross commissions are divided among licensed non-employee insurance agents, or among licensed non-employee realtors. For brokers and agents, each person pays tax on the person's portion of the commissions and no more. *(Section 237-18(e).)* Generally, commission sellers pay tax on commissions earned, and the principal pays tax on gross sales, not the amount net of commissions.

Motor Carriers: Where the transportation of passengers or property is furnished through arrangements between motor carriers, the gross income received for the transportation services is divided between the motor carriers. *(Section 237-18(h).)*

Producers and Promoters: When a person furnishing or producing an event or spectacle (such as a film distributor) and a promoter (such as a theater owner) stage an event, the promoter pays the tax and withholds the producer's share of the tax from the portion of the income payable to the producer. If the producer is a tax exempt entity, such as a properly registered nonprofit organization, then the promoter is not taxed on the producer's share of the income and the promoter does not have to withhold tax. *(Section 237-18(b).)*

Tour Packagers: Gross revenues can be divided between a tour packager or travel agent and a provider of tourism related services. *(Section 237-18(f).)* In addition, gross revenues can be divided between a tour packager and a provider of transient accommodations at noncommissioned negotiated contract rates. *(Section 237-18(g).)* For more information, see Attorney General Opinion 65-6.

SCHEDULE OF USE TAX EXEMPTIONS AND DEDUCTIONS

(NOTE: ALL SECTION REFERENCES ARE TO THE HAWAII REVISED STATUTES)

Unless the following instructions tell you not to report the exempt amounts, you must report on Schedule GE (Form G-45/G-49) the exemptions you are claiming on Forms G-45 and G-49. For circumstances under which an exemption is permitted or allowed, refer to the following sections:

Air Pollution Control Facility: Gross proceeds from, and the tangible personal property furnished in conjunction with the construction, reconstruction, erection, operation, use, or maintenance of an air pollution control facility (APCF) are exempt. The APCF must be certified by the Department of Health (DOH) at least once every five years and file this certification with the Department of Taxation (DOTAX). An exemption may not be claimed if the APCF does not have a valid certificate from the DOH on file with DOTAX. Report these amounts with ED Code 101 on the Schedule GE (Form G-45/G-49). *(Section 238-3(k).)*

Aircraft Leasing: Amounts received as rent for the rental or leasing of aircraft or aircraft engines that is used by the lessee for interstate air transportation of passengers and goods are exempt. Report these amounts with ED Code 102 on the Schedule GE (Form G-45/G-49). *(Section 238-1.)*

Aircraft Service and Maintenance Facility: Materials, parts, or tools imported or purchased by a person with a GET license and which are used for certain types of aircraft service and maintenance, or for the construction of a qualified aircraft service and maintenance facility, are exempt. Report these amounts with ED Code 103 on the Schedule GE (Form G-45/G-49). *(Section 238-1.)*

Casual Purchases: A sale of tangible personal property by someone not in the business of selling the property is called a casual sale. (See "Casual Sales," discussed under the Schedule of General Excise Tax Exemptions and Deductions.) Because gross income derived from a casual sale is excluded from gross income subject to the GET, the landed value of tangible personal property acquired in a casual sale also is not subject to the use tax. Do not report these amounts. *(Section 238-1.)*

Contracting: A contractor importing contracting that will become identifiable elements of the project is exempt provided that the contractor is subject to the GET as a contractor and the contractor would have been able to deduct the amounts paid to the subcontractor if the subcontractor was subject to the GET. Report these amounts with ED Code 133 on the Schedule GE (Form G-45/G-49). See TIR No. 2009-02 for more information. *(Section 238-2.3(1)(C).)*

Diplomats and Consular Officials: The use of property, services, or contracting imported by foreign diplomats and consular officials holding cards issued by the U.S. Department of State granting them an exemption from state taxes are exempt. Report these amounts with ED Code 110 on the Schedule GE (Form G-45/G-49). *(Section 238-1.)* The tax exemption, however, is not applicable to taxes imposed on telecommunication services, other utilities, or gasoline purchases. For more information, see Department of Taxation Announcement Nos. 2000-07, 2011-25 and 2013-03, Tax Facts 2016-1.

Director of Taxation's Authority to Exempt, Exclude or Apportion the Use Tax: Imports of property, services, or contracting to the extent that the GET would have applied to a similarly-situated taxpayer engaged in a local transaction. The Director of Taxation (Director) has the authority to:

(1) Exempt or exclude from the use tax, property, services, or contracting, or the use of property, services, or contracting exempted from the GET; or

(2) Apportion the gross value of services or contracting sold to customers within the State by persons engaged in business both within and without the State to determine the value of that portion of the services or contracting that is subject to the GET for the purposes of section 237-21.

The Director will use the authority to exempt, exclude, or apportion the value of imported property, services, or contracting when an exemption, exclusion, or apportionment of gross receipts would be allowed under the General Excise Tax Law in the case of a similar local transaction. *(Section 238-3(a).)*

Drugs and Prosthetic Devices for Personal Use: If you are an individual who bought drugs or prosthetic devices from a hospital, infirmary, medical clinic, health care facility, pharmacy, or a practitioner licensed to administer the drug to an individual, the landed value of the drugs or prosthetic devices is exempt from use tax. Do not report these amounts. *(Section 238-1.)*

Producers: Certain property used by licensed producers is either taxed at a ½% rate or is exempt, depending on whether the imported property is going to be resold at retail. For example, if a farmer sells eggs to grocery stores as well as to neighbors and friends, then the chicken feed the farmer imports is taxed. That portion of the feed used to feed chickens whose eggs the farmer consumes is imported for consumption, and is reported on the "Use Tax on Imports For Consumption" line in Part II of Forms G-45 and G-49. The portion attributable to retail sales is imported for resale, and is reported on the "Use Tax on Imports For Resale at 4%" line in Part I of Forms G-45 and G-49. The remainder is imported for wholesale, and is exempt; include those amounts on the "Use Tax on Imports For Resale at 4%" line in Part I of Forms G-45 and G-49, Columns a and b, and report with ED Code 138 on the Schedule GE (Form G-45/G-49). *(Section 238-4.)* For more information, see section 18-238-4, HAR.

Sales Tax Offset: A use tax and GET offset may be claimed for taxes paid to another state on

property, services or contracting imported into the State for resale. Taxes paid for manufacturing, extraction, and the like, as well as license fees or transfer taxes, may not be taken as a credit against Hawaii use taxes due. Report these amounts with ED Code 154 on the Schedule GE (Form G-45/G-49). *(Section 238-3(i).)*

Scientific Use Property: Property which is to be affixed to, or which is to become a physical, integral part of a scientific facility, or which is to be entirely consumed during the performance of a service required by a scientific contract with the United States Government, is exempt. Report these amounts with ED Code 142 on the Schedule GE (Form G-45/G-49). *(Section 238-3(j).)* For more information, see TIR No. 35-71.

Services or Contracting to Foreign Customers: The use of services or contracting imported for resale to a foreign customer who will resell, consume or use the service or contracting outside of the State is exempt. Report these amounts with ED Code 133 on the Schedule GE (Form G-45/G-49). *(Section 238-2.3(1)(C).)*

Wholesale, Imported for Resale at (Use tax only - not for GE): An importer or purchaser who is licensed under chapter 237 and is either importing or purchasing tangible personal property for the purpose of sale or resale, or engaged in a service business or calling in which the imported or purchased services or contracting become identifiable elements, excluding overhead, of the services rendered by the importer or purchaser, and the gross income of the importer or purchaser is subject to the tax imposed under chapter 237 on services at the rate of 0.5%. Report these amounts with ED Code 157 on the Schedule GE (Form G-45/G-49). *(Sections 238-2(1) and 238-2.3(a)(1)(A))*

SCHEDULE OF COUNTY SURCHARGE EXEMPTIONS AND DEDUCTIONS

(NOTE: ALL SECTION REFERENCES ARE TO THE HAWAII REVISED STATUTES UNLESS NOTED)

Taxpayers with certified disabilities are not subject to the County Surcharge.

The County Surcharge is imposed on taxable income that is subject to the General Excise or Use Tax at the rate of 4% and attributable to a county that has adopted a surcharge. *(Section 237-8.6.)* You must report on Schedule GE (Form G-45/G-49) the exemptions you are claiming on Forms G-45 and G-49. For circumstances under which an exemption is permitted or allowed, refer to the following sections:

Certain Contracts Entered into Before 6/30/2006 - Oahu: Written contracts entered into before June 30, 2006 for construction contracts on Oahu that do not allow for the passing on of increased rates of taxes are exempt from the county surcharge. Report these amounts with ED Code 108 on the Schedule GE (Form G-45/G-49). *(Section 237-8.6(c).)*

Certain Contracts Entered into Before 6/30/2018 - Kauai and Hawaii: Written contracts entered into before June 30, 2018 for construction contracts on Kauai and Hawaii that do not allow for the passing on of increased rates of taxes are exempt from the county surcharge. Report these amounts with ED Code 155 on the Schedule GE (Form G-45/G-49). *(Section 237-8.6(c).*

Certain Sales: Amounts of sales assigned to a district that has a county surcharge by a seller who does not have nexus in that district are exempt. Report these amounts with ED Code 109 on the Schedule GE (Form G-45/G-49). For more information, see section 18-237-8.6, HAR.

Sublease Deduction: The amount of rent paid to a landlord that is subleased to a tenant and is not deducted from GET gross receipts under section 237-16.5 is not subject to the county surcharge. Since these amounts are effectively taxed at ½ of 1%, the county surcharge does not apply. The amount of the county surcharge sublease deduction is computed on Form G-72, line 6. Report these amounts with ED Code 126 on the Schedule GE (Form G-45/G-49). *(Section 237-8.6(d)(1).)*

Wholesale Amusements: The amount of wholesale amusements not deducted from GET gross receipts under section 237-4(a)(13) is not subject to the county surcharge. Since these amounts are effectively taxed at the rate of ½ of 1%, the county surcharge does not apply. The amount of the county surcharge deduction is computed on Form G-81, line 6. Report these amounts with ED Code 152 on the Schedule GE (Form G-45/G-49). *(Section 237-8.6(d)(1).)*