

ADDRESS REPLY TO  
THE ATTORNEY GENERAL OF HAWAII  
AND REFER TO  
INITIALS AND NUMBER  
NK:n



8: XVIII-C

Op. 60-8

STATE OF HAWAII  
DEPARTMENT OF THE ATTORNEY GENERAL  
HONOLULU

February 18, 1960

Mr. Charles J. Gillespie  
Deputy Bank Examiner  
Department of Treasury and Regulation  
State of Hawaii  
Honolulu, Hawaii

Dear Sir:

This is in response to your letter of February 9, 1960, requesting a ruling on the question whether an industrial loan company may charge the general excise tax to its customers.

You have requested a review of the opinion of the Attorney General dated September 3, 1957 (RVL:rs; 946-46, OLC). In that opinion this office said that it would not be permissible for a loan company to charge its customers for the general excise tax unless it could lawfully increase the interest rate itself; that whether the interest rate could be increased turned on the terms of the loan agreement and the provisions of chapter 194, Revised Laws of Hawaii 1955; and that nothing in the general excise tax law permitted an addition to the allowable maximum.

As there has been no legislation subsequent to that opinion changing the nature of the tax, our view of the question concerned has not changed.

With respect to section 194-15 (h)(1), Revised Laws of Hawaii 1955, to which reference was made in your letter, the "actual taxes" which industrial loan companies may lawfully charge their customers are limited to the taxes therein specified. Therefore, it does not authorize the passing on of the general excise tax.

Very truly yours,

NOBUKI KAMIDA  
Deputy Attorney General

**APPROVED:**

SHIRO KASHIWA  
Attorney General