



DEPARTMENT OF TAXATION  
STATE OF HAWAII

September 3, 1981

TAX INFORMATION RELEASE No. 81-6

RE: General Excise Tax Upon Gross Receipts Derived From  
the Sale of Liquor and Other Beverages During Flights  
Between the Islands.

This Tax Information Release is issued by the Department of Taxation to announce that gross receipts derived from the sale of liquor and other beverages during flights between the islands are exempt from imposition of the general excise tax.

All waters between the islands of this State beyond the three mile limit of each island constitute international waters. Accordingly, the Director of Taxation deems any transaction occurring beyond the three mile limit to be outside the taxing jurisdiction of this State.

The Tax Appeal Court has determined that the sale of liquors and other beverages over international waters between the islands of this State is exempt from the general excise tax imposed by HRS Chapter 237. Such sales made after May 22, 1981, shall be exempt from the general excise tax.

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