



DEPARTMENT OF TAXATION  
STATE OF HAWAII

October 1, 1987

TAX INFORMATION RELEASE No. 87-3

RE: Exemption From the General Excise Tax For Amounts Received  
On Purchases Made With U.S. Department of Agriculture WIC  
Food Vouchers

Act 15, Session Laws of Hawaii 1987, (H.B. No. 1324) amended section 237-24(23), Hawaii Revised Statutes (HRS), to provide an exemption from the general excise tax, for the amounts received for purchases made with United States Department of Agriculture food vouchers under the Special Supplemental Food Program for Women, Infants and Children (WIC Food Vouchers).

The effective date of the exemption provided under Act 15 is October 1, 1987, and is applicable to qualified purchases made at stores or eating establishments certified to accept WIC Food Vouchers.

The amendment to the General Excise Tax Law is in compliance with the provisions of Public Law 99-500 and 99-501, as amended by the School Lunch and Child Nutrition Amendments of 1986, which would prohibit a state's participation in the WIC program if a sales tax is imposed upon purchases made with WIC Food Vouchers. Hawaii's general excise tax is a "sales tax" within the purview of the applicable federal statutes.

Participating vendors or sellers under Section 237-41, HRS, of our General Excise Tax Law are required to keep and preserve for a period of three years, suitable records of gross income or gross proceeds of sales, and such other books, records, and invoices as may be required by the Department of Taxation. Such records shall also include adequate documentation relating to an exemption claimed pursuant to Act 15.

The Department of Taxation may be contacted for further information concerning this matter.

  
RICHARD F. KAHLE, JR.  
Director of Taxation