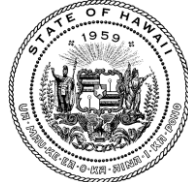


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August 1, 2025

TAX INFORMATION RELEASE NO. 2025-02

RE: General Excise Tax Exemption for Amounts Received for Healthcare-Related Goods and Services Purchased Under Medicare, Medicaid, or TRICARE

The purpose of this Tax Information Release (TIR) is to provide guidance on the general excise tax (GET) exemption under Act 47, Session Laws of Hawaii 2024 ("Act 47"), for amounts received by certain healthcare providers for healthcare-related goods or services purchased under the Medicare, Medicaid, or TRICARE programs. Act 47, which adds a new paragraph (12) to section 237-24.3, Hawaii Revised Statutes (HRS), is effective on January 1, 2026.

Eligible Taxpayers

The GET exemption applies to the following taxpayers:

1. Hospitals;
2. Infirmaries;
3. Medical clinics;
4. Health care facilities;
5. Pharmacies;
6. Physicians or osteopathic physicians licensed under chapter 453, HRS;
7. Dentists licensed under chapter 448, HRS;
8. Advanced practice registered nurses licensed under chapter 457, HRS; and
9. Pharmacists licensed under chapter 461, HRS.

Scope of Exemption

The GET exemption applies to amounts received by an eligible taxpayer for healthcare-related goods and services purchased under the Medicare, Medicaid, or TRICARE programs. The exemption includes amounts received directly from Medicare, Medicaid, or TRICARE and amounts received from patients, including payments for deductibles, copayments, and coinsurance, as long as the healthcare-related goods or services are covered under the Medicare, Medicaid, or TRICARE programs.

GET Reporting Requirements

Taxpayers must report all gross income received from healthcare-related goods and services purchased under Medicare, Medicaid, or TRICARE on Form G-45, Periodic General Excise/Use Tax Return, and Form G-49, Annual Return and Reconciliation of General Excise/Use Tax Return. Taxpayers must also file Schedule GE, General Excise/Use Tax Schedule of Exemptions and Deductions, and use the designated Exemption/Deduction (ED) Code.

If you have any questions about this TIR, please contact the Department of Taxation's Rules Office at (808) 587-1530, or email at Tax.Rules.Office@hawaii.gov.

GARY S. SUGANUMA
Director of Taxation