

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/.

Changes You Should Note

- **Effective immediately – Mail all general excise and use tax payments and a completed Form VP-1 to:**

Hawaii Department of Taxation
 P.O. Box 1730
 Honolulu, HI 96806-1730

- **Mail G-45 returns to:**

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

- **Amendment to the general instructions for filing the General Excise/Use tax returns (Forms G-45 and G-49) relating to**

transient accommodations rentals – Effective for all periods ending March 31, 2016 and thereafter, if a travel agent or tour packager divides income with an operator of transient accommodations pursuant to section 237-18(g), HRS, 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.

- **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. 2016) to your Form G-45. Failing to use the most current form may result in the disallowance of your exemptions.

County Surcharge

Effective January 1, 2007, the general excise and use tax was amended to provide a 0.5% county surcharge on transactions attributable to the City and County of Honolulu and subject to the state general excise tax rate of 4% for 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 Form G-45. 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 (Oahu taxable income subject to the county surcharge) and Part V (assignment of taxes by district) on Form G-45. See pages 9-10 and 15-16 of the General Instructions for Filing the General Excise/Use Tax Returns for more information on completing Parts IV and V of Form G-45.

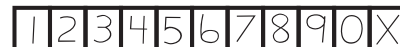
For more information on the county surcharge, see Department of Taxation Announcement Nos. 2005-11, 2006-15, 2006-17 and Tax Information Release (TIR) No. 2007-01 or click on the link to the County Surcharge webpage from the Department of Taxation's homepage at tax.hawaii.gov.

About this Form

The GET is a privilege tax imposed on the gross income received by every person engaging in business, including a one-time event (e.g., fundraiser, exhibition, conference) in the State of Hawaii. Use Form G-45, Periodic General Excise/Use Tax Return, to report your gross income, exemptions, and the tax attributable to the one-time event. Form G-45 is due on or before the 20th day of the calendar month following the one-time event. For example, if the event is on January 31st, then Form G-45 is due on February 20th. An individual not engaged in business (e.g., an employee performing personal services under the direction and control of an employer) is not required to file a general excise/use tax return.

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:



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.

Note: Form G-49 (Annual Return and Reconciliation) is not required to be filed.

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

The Department of Taxation (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.

Fill in this oval ONLY if this is an AMENDED return

PERIOD ENDING **1** NG **03** / **17** HAWAII TAX ID. NO. **GE** **1** **2** **3** **4** **5** **6** **7** **8** **9** **0** **1** **3**

Last 4 digits of your FEIN or SSN **4321** **4**

NAME: **2** Aloha, Mary

Figure 1. Top of the Return

THE TOP OF THE TAX RETURN (Figure 1)

Step 1 — Enter the appropriate numeric (two digit) month and year of your filing period (e.g., Month of January 2017 = 01/17).

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

Step 3 — If you have received notification of your one-time event identification number, enter your number in the area provided. If you have not been assigned a number, leave the area blank.

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

Mary enters 03/17 for the numeric month and year for the last month of her filing period.

1. Wholesaling

2. Manufacturing **5** **6** **7** 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 applicable 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.

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 1.

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 for general excise and use tax 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

5. Landed Value of Imports for Resale **8** **9** **10** 4 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."

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 Form G-45.

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.


FORM G-45 Page 2 of 2	Name: Aloha, Mary	(16)	
	Hawaii Tax I.D. No. GE 1 2 3 4 5 6 7 8 9 0 0 1		
	Last 4 digits of your FEIN or SSN 4 3 2 1		PERIOD ENDING 03 / 17

Figure 7. Top of Page 2

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.

	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 III - INSURANCE COMMISSIONS @ .15% (.0015)			
18. Insurance Commissions	(17) 000,000.00	(18) 000,000.00	(19) 000,000.00 <small>Enter this amount on line 23, Column (a)</small>
PART IV - CITY & COUNTY OF HONOLULU SURCHARGE TAX @ 1/2 OF 1% (.005)			
19. Oahu Surcharge	(20) 15,450.00	(21) 0.00	(22) 15,450.00 <small>Enter this amount on line 24, Column (a)</small>

Figure 8. Calculating the General Excise Tax on Insurance Companies @ .15% (.0015) and the City & County of Honolulu Surcharge Tax @ 1/2 of 1% (.005)

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 23, Column a (see Figures 7 and 9). IF Column b is more than Column a, see “When Form G-45, Column b is Greater Than Column a.”

PART IV — CITY & COUNTY OF HONOLULU SURCHARGE TAX @ 1/2 OF 1% (.005) (Figure 8)

If you conducted business on Oahu during the filing period, you must complete this part. If you did not conduct business on Oahu, skip this part and go to Part V.

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

- If you did business in only the Oahu District, enter the amount from Form G-45, Part II, line 17, Column c.
- If you did business in more than one District, including the Oahu District, enter the amount from Form G-75, Part II, Column a, line 17, Oahu District Taxable Income.

- The **additional** deduction for wholesale amusements for Form G-81, line 6;
- Amounts of sales assigned to the Oahu Taxation District by a seller who does not have Oahu nexus; and
- Gross receipts received under a written contract entered into before June 30, 2006, which does not allow for the pass-on of an increased rate of tax.

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/deductions include:

- The **additional** sublease deduction from Form G-72, line 6;

Step 22 — Subtract Column b from Column a, and enter the result in Column c, Taxable Income, and on page 2, line 24, Column a (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.”

Mary must complete line 19 since she conducted business in the Oahu District. On line 19, Column a, Mary enters \$15,450, the amount from line 17, Column c, since she did business in the Oahu District only. Mary enters zero in Column b since she is not claiming any County Surcharge exemptions/deductions and enters \$15,450 in Column c.

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.) See Instructions. 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.					
20. (23)	<input checked="" type="radio"/> Oahu	<input type="radio"/> Maui	<input type="radio"/> Hawaii	<input type="radio"/> Kauai	<input type="radio"/> MULTI

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

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

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

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

- 1) IF you did business only in the OAHU District, darken the oval “Oahu.”

- 2) IF you did business in only ONE District OTHER THAN Oahu, darken the oval for that taxation district.

- 3) 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.

of "PENALTY \$" and "INTEREST \$" and enter the total of the two amounts on line 31.

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 27 and 31, and enter the "TOTAL AMOUNT DUE AND PAYABLE" on line 32.

Step 36 — **NOTE:** If you are NOT submitting a check with your return, enter "0.00" on line 33.

Enter the "AMOUNT OF YOUR PAYMENT," including any penalty and interest, on line 33. 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 and include a completed Form VP-1. Write "GE," 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 a completed Form VP-1 to:

Hawaii Department of Taxation
P.O. Box 1730
Honolulu, HI 96806-1730

DO NOT SEND CASH. Form G-45 can also be filed and payment made electronically at tax.hawaii.gov/eservices/.

Send 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

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 34, 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 "GE," the filing period (e.g., "Jan 2017"), 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.

Complete your amended Form G-45 as follows:

1. Darken the oval at the top of page 1 of Form G-45 to designate that this is an amended return (see Figure 1).
2. 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. Follow Steps 1 through 28 to complete your amended 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-.**)
3. As of the date the amended Form G-45 is filed, enter on line 26 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.
4. Enter on line 28 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 periodic return as well as any supplemental payments made after the original periodic return 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.
5. If line 27 is LESS THAN line 28, subtract line 27 from line 28 and enter the result on line 29, "CREDIT TO BE REFUNDED."
6. If line 27 is MORE THAN line 28, subtract line 28 from line 27 and enter the result on line 30, "ADDITIONAL TAXES DUE."
7. 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 30, enter on line 31 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.

8. Add lines 30 and 31 and enter the total on line 32, "TOTAL AMOUNT DUE AND PAYABLE."
9. Enter on line 33 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 and include a completed Form VP-1. Write "GE," 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 a completed Form VP-1 to:

Hawaii Department of Taxation
P.O. Box 1730
Honolulu, HI 96806-1730

DO NOT SEND CASH. An amended Form G-45 can also be filed and payment made electronically at tax.hawaii.gov/eservices/. Send 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

10. 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.
11. Enter the total of all exemptions reported on Schedule GE on line 34.
12. 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 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 "GE," the filing period (e.g., "Jan 2017"), 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 and explain these amounts. 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 and explain these amounts. (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 and explain these amounts. (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 and explain these amounts. (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 and explain these amounts. 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).)

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 and explain these amounts. (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 and explain these amounts. (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 and explain these amounts. 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 and explain these amounts. (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 for more information.

Disability Provisions: The first \$2,000 of gross income earned by any blind, deaf, or totally disabled person is exempt. Report and explain these amounts. (Section 237-24(13).) For more information, see TIR Nos. 89-3 and 94-2, 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 and explain these amounts. (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 and explain these amounts. (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. (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 and explain these amounts. (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 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 and explain these amounts. (Section 237-29.53.) For more information, see TIR No. 2009-02.

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 and explain these amounts. 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 on 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. (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 and explain these amounts. (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. Report and explain these amounts. (*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 and explain these amounts. (*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 and explain these amounts. (*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 and explain these amounts. (*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 and explain these amounts. (*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. Effective July 1, 2001, 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 and explain these amounts. (*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 and explain these amounts. (*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 Section VIII on Schedule GE. Report and explain these amounts. (*Section 237-16.5.*)

Maintenance Fees: Amounts received by the manager, submanager, or board of directors of: (1) an association of owners of a condominium property regime established under HRS chapters 514A or 514B (*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 and explain these amounts. 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 and explain these amounts. (*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 and explain these amounts. (*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 sanitarium organizations may be exempt. Report

and explain these amounts. 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 and explain these amounts. (*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 and explain these amounts. (*Section 237-29.5(1).*) For more information, see TIR No. 98-5.

Patient-Centered Community Care: Effective July 1, 2014, 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 PCCC Fact Sheet updates September 5, 2013, 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 and explain these amounts. (*Section 237-24(18).*)

Petroleum Refining: Petroleum products refined in Hawaii that will be further refined by another taxpayer are exempt. Report and explain these amounts. (*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 and explain these amounts. (*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 and explain these amounts. (*Section 237-24.75(3).*)

Real Estate Sales: Gross proceeds from the sale of land in fee simple are generally exempt and do not have to be reported. (*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 explain on Schedule GE (Form G-45/G-49)) the amount attributable to the sale of land in fee simple.

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 and explain these amounts. (Section 237-24.7(9).) Related entities are generally those related through 80% common ownership and at least 80% of the total voting power.

Sales to the Federal Government and Credit Unions: Sales of tangible property to the federal government and state and federal credit unions are exempt. Report and explain these amounts. (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.

Scientific Contracts: Gross proceeds from certain scientific contracts with the federal government are exempt. Report and explain these amounts. (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 and explain these amounts. (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 and explain these amounts. (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 and explain these amounts. (Section 237-24.3(1).)

Small Business Innovation Research Grants: Amounts received as grants awarded by the High 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 and explain these amounts. (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 and explain these amounts. (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 Section VII on Schedule GE. Report and explain these amounts. For more information, contact your district tax office for instructions. (Section 237-13(3)(B).)

Sugar Cane Payments to Independent Producers: Certain payments to independent sugar cane producers are exempt. Report and explain these amounts. (Section 237-24(14).)

Taxes Passed On: Amounts received to pay the following taxes are exempt. Each amount should be reported and explained.

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 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).)

TRICARE: Effective July 1, 2009, the amounts received by a managed care support contractor of the TRICARE program that is established under Title 10 United States Code Chapter 55, as amended, for the actual cost or advancement to third party health care providers pursuant to a contract with the United States are exempt. Report and explain these amounts. (Section 237-24(17).)

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 Transactions: Amounts received from the sales of tangible personal property imported into the State by a licensed taxpayer to another licensed taxpayer for further resale at wholesale are exempt, provided the customer furnishes Form G-17 certifying as such to the seller. Report and explain these amounts. 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.

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. (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 TIR No. 91-8 and 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 the DoTax. Report and explain these amounts. (Section 238-3(k).)

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 and explain these amounts. (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. For example, if you purchase a used car from an individual selling his or her personal car and import that car into Hawaii, report the landed value of the car but claim this exemption. (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 and explain these amounts. 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 and explain these amounts. (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.

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 or 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 this on Schedule GE (Form G-45/G-49). (Section 238-4.) For more information, see HAR section 18-238-4.

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 and explain these amounts. (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 and explain these amounts. (Section 238-2.3(1)(C).)

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 City and County of Honolulu Surcharge (County Surcharge) is imposed on Oahu taxable income that is subject to the General Excise or Use Tax at the rate of 4%. (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: Written contracts entered into before June 30, 2006 that do not allow for the passing on of increased rates of taxes are exempt from the County Surcharge. Report and explain these amounts. (Section 237-8.6(c).)

Certain Oahu Sales: Amounts of sales assigned to the Oahu Taxation District by a seller who does not have Oahu nexus are exempt. Report and explain these amounts. 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 and explain these amounts.

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 and explain these amounts.