

STATE OF HAWAII — DEPARTMENT OF TAXATION  
WHOLESALE AMUSEMENTS DEDUCTION WORKSHEET

Do NOT file this worksheet with the Department of Taxation. Keep it for your records.  
SEE SPECIFIC INSTRUCTIONS

Report wholesale sales of tangible personal property on the Wholesaling activity line of Forms G-45 and G-49. Report wholesale sales of services on the Wholesale Services activity line of Forms G-45 and G-49.

COMPUTATION OF QUALIFIED WHOLESALE SALES OF AMUSEMENTS DEDUCTION:

1. Total gross income received from qualified sales of amusements at wholesale as provided under §237-4(a)(13), HRS.....	_____
2. Allowable rate used for computing the deduction.....	.875
3. Multiply line 1 by line 2. This is your maximum allowable deduction. Include this amount in Part I of Schedule GE (Form G-45/G-49). Also include this amount in column b Forms G-45 or G-49 for the Theater Amusement and Broadcasting activity.....	_____
4. Enter the amount included on line 1 that is assigned to the Oahu Taxation District. ....	_____
5. Factor .....	0.125
6. Multiply the amount on line 4 by 0.125. Include this amount in Part I of Schedule GE (Form G-45/G-49).....	_____

**GENERAL INSTRUCTIONS**

**NOTE:** Section 237-4(a)(13), HRS, reduces the “pyramiding” effect for amusements transactions. Use this worksheet to calculate the amount of the deduction to claim on your general excise tax return to result in an effective tax rate of ½ of 1% for qualifying sales of amusements.

**Qualified sales of amusements** to a licensed seller engaging in a business or calling occur whenever:

- (A) Either:
  - (i) In the context of an **amusement-to-service** transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of rendering another service in the course of the seller’s service business or calling;
  - (ii) In the context of an **amusement-to-tangible personal property** transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of selling tangible personal property; or
  - (iii) In the context of an **amusement-to-amusement** transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of rendering another amusement in the course of the person’s amusement business;
- (B) The benefit of the amusement passes to the customer of the licensed seller as an identifiable element of the other service, property to be sold, or amusement;
- (C) The cost of the amusement does not constitute overhead to the licensed seller;
- (D) The gross income of the licensed seller is not divided between the licensed seller and another licensed seller, person furnishing transient accommodations, or person ren-

- dering an amusement for imposition of the general excise tax;
  - (E) The gross income of the licensed seller is not subject to a deduction under the general excise tax; and
  - (F) The resale of the service, tangible personal property, or amusement is subject to the general excise tax at the highest rate.
- “Amusement” means entertainment provided as part of a show for which there is an admission charge.
- “Overhead” means continuous or general costs occurring in the normal course of a business, including but not limited to costs for labor, rent, taxes, royalties, interest, discounts paid, insurance, lighting, heating, cooling, accounting, legal fees, equipment and facilities, telephone systems, depreciation, and amortization.

**PURPOSE OF THIS WORKSHEET**

Use this worksheet to calculate the amount of the deduction to claim on your general excise tax return to result in an effective tax rate of ½ of 1% for qualifying sales of amusements.

This worksheet is also used to compute the amount of a deduction to remove the gross receipts from wholesale amusements completely from the gross receipts subject to the county surcharge.

**SPECIFIC INSTRUCTIONS**

**Line 1** — Enter the gross income received from providing amusements to a licensed seller where the benefit of the amusement passes to the customer of the licensed seller.

**NOTE:** The amusements rendered must become an identifiable element of the other service, property, or amusement and cannot constitute overhead (see definition of “overhead”).

**Line 3** — Multiply line 1 by line 2. This is the amount of your deduction to enter on your general excise tax return. Enter this amount in Part I of Schedule GE (Form G-45/G-49). Identify this amount as “ED Code 152.”

Also enter this amount as part of the deductions claimed in column b on Forms G-45 or G-49 for the Theater Amusement and Broadcasting activity.

**Line 4** — Enter the amount included on line 1 that is assigned to Oahu.

**Line 6** — Multiply the amount on line 4 by 0.125. Also include this amount in Part I of Schedule GE (Form G-45/G-49), as Activity Code P419 and ED Code 152. Once the county surcharge exemption is entered in Part I of Schedule GE (Form G-45/G-49), this will remove all of the wholesale amusements gross receipts from the gross receipts subject to the county surcharge.

**Where to Get More Information** — More information is available on the Department’s website at [tax.hawaii.gov](http://tax.hawaii.gov) or you may contact the customer service staff of our Taxpayer Services Branch at:

Voice: 808-587-4242  
1-800-222-3229 (Toll-Free)

Telephone for the Hearing Impaired:  
808-587-1418  
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