



GENERAL EXCISE/USE
TAX RETURN

Fill in this oval ONLY if this is an AMENDED return

PERIOD ENDING 03 - 21 (mm-yy) 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

NAME: Old McDonald Farm (or Last name, First Name) ID NO 01

BUSINESS ACTIVITIES	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 I - GENERAL EXCISE and USE TAXES @ 1/2 OF 1% (.005)				
1. Wholesaling	10,000.00	0.00	10,000.00	1
2. Manufacturing				2
3. Producing				3
4. Wholesale Services				4
5. Landed Value of Imports for Resale				5
6. Business Activities of Disabled Persons				6
7. Sum of Part I, Column c (Taxable Income) — Enter the result here and on page 2, line 24, Column c			10,000.00	7
PART II - GENERAL EXCISE and USE TAXES @ 4% (.04)				
8. Retailing	15,450.00	0.00	15,450.00	8
9. Services Including Professional				9
10. Contracting				10
11. Theater, Amusement and Broadcasting				11
12. Commissions				12
13. Transient Accommodations Rentals				13
14. Other Rentals				14
15. Interest and All Others				15
16. Landed Value of Imports for Consumption				16
17. Sum of Part II, Column c (Taxable Income) — Enter the result here and on page 2, line 25, Column c			15,450.00	17

• ATTACH CHECK OR MONEY ORDER HERE •

DECLARATION - I declare, under the penalties set forth in section 231-36, HRS, that this return (including any accompanying schedules or statements) has been examined by me and, to the best of my knowledge and belief, is a true, correct, and complete return, made in good faith for the tax period stated, pursuant to the General Excise and Use Tax Laws, and the rules issued thereunder.

IN THE CASE OF A CORPORATION OR PARTNERSHIP, THIS RETURN MUST BE SIGNED BY AN OFFICER, PARTNER OR MEMBER, OR DULY AUTHORIZED AGENT.

SIGNATURE: Signature TITLE: Owner DATE: 04-20-21 DAYTIME PHONE NUMBER: 808-555-1234

Continued on page 2 — Parts V & VI **MUST** be completed

Name: Old McDonald Farm (or Last Name, First Name)



Hawaii Tax I.D. No. **GE** 1 2 3 4 5 6 7 8 9 0 0 1

ID NO 01
(mm-yy)

Last 4 digits of your FEIN or SSN 4 3 2 1

PERIOD ENDING 03 - 21
(Column a minus Column b)

BUSINESS ACTIVITIES	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)			Enter this amount on line 26, Column c
18. Insurance Commissions	00,000.00	00,000.00	00,000.00

PART IV - COUNTY SURCHARGE — Enter the amounts from Part II, line 17, Column c attributable to each county. Multiply Column c by the applicable county rate(s) and enter the total of the result(s) on Part VI, line 27, Column e.			
19. Oahu (rate = .005)	24,450.00	0.00	24,450.00
20. Maui	00,000.00		
21. Hawaii (rate = .005)	00,000.00	00,000.00	00,000.00
22. Kauai (rate = .005)	1,000.00	0.00	1,000.00

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

PART VI - TOTAL PERIODIC RETURN		TAXABLE INCOME Column c	TAX RATE Column d	TOTAL TAX Column e = Column c X Column d
24.	Enter the amount from Part I, line 7	10,000.00	x .005	50.00
25.	Enter the amount from Part II, line 17	15,450.00	x .04	618.00
26.	Enter the amount from Part III line 18, Column c	00,000.00	x .0015	0.00
27.	COUNTY SURCHARGE TAX. See Instructions for Part IV. Multi district complete Form G-75			127.25
28.	TOTAL TAXES DUE. Add column e of lines 24 through 27 and enter result here (but not less than zero). If you did not have any activity for the period, enter "0.00" here			795.25
29.	Amounts Assessed During the Period, (For Amended Return Only)	PENALTY \$ _____ INTEREST \$ _____		
30.	TOTAL AMOUNT. Add lines 28 and 29			795.25
31.	TOTAL PAYMENTS MADE FOR THE PERIOD (For Amended Return ONLY)			
32.	CREDIT TO BE REFUNDED. Line 31 minus line 30 (For Amended Return ONLY)			
33.	ADDITIONAL TAXES DUE. Line 30 minus line 31 (For Amended Return ONLY)			
34.	FOR LATE FILING ONLY →	PENALTY \$ _____ INTEREST \$ _____		
35.	TOTAL AMOUNT DUE AND PAYABLE (Original Returns, add lines 30 and 34; Amended Returns, add lines 33 and 34)			795.25
36.	PLEASE ENTER THE AMOUNT OF YOUR PAYMENT. Attach a check or money order payable to "HAWAII STATE TAX COLLECTOR" in U.S. dollars to Form G-45. Write the filing period and your Hawaii Tax I.D. No. on your check or money order. Mail to: HAWAII DEPARTMENT OF TAXATION, P. O. BOX 1425, HONOLULU, HI 96806-1425 or file and pay electronically at hitax.hawaii.gov. If you are NOT submitting a payment with this return, please enter "0.00" here.			
37.	GRAND TOTAL OF EXEMPTIONS/DEDUCTIONS CLAIMED. (Attach Schedule GE) If Schedule GE is not attached, exemptions/deductions claimed will be disallowed.			00,000.00

GET Walkthrough

The following document is meant to help assist in the completion of your General Excise Tax Filing and contains information obtained from Ann Chiodini's webinar on 11/30/2021 and from the State of Hawaii Dept. of Tax (HDOT) document "Step-By-Step Instructions For Filling In Your Form G-45 (Periodic Return) which can be found here: <https://files.hawaii.gov/tax/forms/2019/g45ot.pdf>. Additional information can be found in the HDOT document "An Introduction to the General Excise Tax" (https://files.hawaii.gov/tax/legal/brochures/GE_brochure.pdf).

Your periodic GET return can be filed online or via paper. In this document we will cover some of the questions you may have on the terminology or sections of the G-45 form when filing your periodic return as a beginning farmer.

Explanation of Columns A & B

Column a - Gross income means the gross receipts, of the taxpayer received as compensation for personal services or derived from trade, business, commerce, or sales...on a cash basis. It does not matter if you are a Hawaii resident, nonresident, or part-year resident.

Column b - Very few expenses may be deducted. Most business expenses allowed as deductions on your income tax return (e.g. cost of supplies, utility bills, etc.) are NOT deductible on your general excise. Please make note that Hawaii excise taxes are not the same as business or personal income taxes that are filed once a year and may be subject to quarterly estimated taxes. Some examples of exemptions or deductions from Hawaii GET tax that may be applicable to you include:

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.

Out of State Sales: If the Hawaii business ships goods directly to the customer's out-of-state residence, then the sale is exempt and the business may claim a deduction. If the customer takes delivery of the goods in Hawaii and then ships the goods out-of-state, the sale is subject to GET. See next slide for additional 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.

Discounts and Returned Merchandise: Cash or other discounts on the price of articles sold are considered price adjustments and should be subtracted from gross income.

Out of State Sales: One of the most important deductions from Hawaii GE tax is Out of State sales. This relates to on-line sales over your website or products you may sell at a trade show in a state other than Hawaii. However, keep in mind that while these sales may not be subject Hawaii GE tax, they may be subject to sales tax in the state where they are shipped or sold for use. Each state has it's own set of rules and, if you have a large volume of such sales, it might be wise to enlist a specialist or purchase software that will make this task easier.

Enterprise Zones: Businesses which satisfy annual requirements can qualify for a 100% exemption from the General Excise Tax. See <https://invest.hawaii.gov/business/ez/> for more information.

Filling Out the Form

Part I is where you enter any wholesale sales. Wholesale Sales are sales to a licensed retail merchant, jobber (wholesaler), other licensed seller or manufacturer for purposes of resale (*it is wise to get a copy of the customer's Hawaii re-sale certificate, Form G-17, to assure that charging the lower GE tax rate is correct*). You will most likely be utilizing lines 1, 2 or 3.

Line 1. Wholesaling – Includes processed and packaged products sold to restaurants or super markets for re-sale.

Line 2. Manufacturing – Includes revenues received for providing processing services (canning, preserving, etc.) to prepare products for sale, profit or commercial use.

Line 3. Producing – Includes revenues received for raising and producing agricultural products in their natural state.

Part II is where you enter your Retail Sales which are sales of tangible, physical products directly to the consumer and not for re-sale. You will most likely be using line 8 and possibly lines 9 and 14.

Line 8. Retailing – Typically includes produce sold at farmers' markets, under Community Supported Agriculture (CSA) agreements or as processed products, such as jarred pickles or jams sold directly to consumers.

Line 9. Services including Professional – Includes all activities engaged in for other payment which involves providing a service, including professional and transportation services. Services can be Wholesale Services if the customer has a re-sale certificate, for example, if a meat processing co-op prepares and does FDA inspection of animals raised by a farmer for eventual sale to a super market or farm kiosk.

Line 14. Other Rentals – Includes income received for long term rentals, equipment rentals, and all types of lease or rental agreements.

Part III is only applicable to insurance providers

Part IV The totals from Parts I and II are entered here by the county in which the sale took place to account for the county surcharge. As of the 2020 update, for most businesses in Hawaii the General Excise Tax rate is 4%. On Oahu, Kauai, and the Big Island there is a 0.5% surcharge. If you had sales in more than one county you will also have to complete Form G-75 which looks very similar to this tax form but has columns for each county. The total of all counties will equal what is recorded on your G-45.

Part V is where you indicate which counties you have conducted business in. Taxpayers **MUST** complete this section of their periodic and annual general excise/use tax returns to assign their taxes to each county, or may be subject to a 10% penalty for noncompliance.

Part VI is where you enter the taxable income (Column C) from Parts I and II and calculate the taxes due (Column E) for wholesale (Line 24) and retail (Line 25) sales respectively.

Line 27. County Surcharge Tax - — If you selected “Multi,” complete Form G-75, total the amounts on Form G-75, line 27 Columns a thru d and enter the amount on line 27. If you only had sales in one of Oahu, or Hawaii or Kauai counties multiply the taxable income from line 19, 21 or 22 by .005 and enter that here. If you did business only in the Maui district, enter “0.00.”

Line 28. Add the amounts in Column e of lines 24 through 27 and enter the total on line 28. This is the “TOTAL TAXES DUE.” You cannot claim a refund on a periodic return (G-45). A refund can only be claimed on your annual return and reconciliation (G-49). LINE 28 MUST BE FILLED IN. If you did not have any activity for the period, enter “0.00” here.

Line 29. For Amended Return ONLY, see Instructions for Filing an Amended Form G-45.

Line 30. Enter the amount from line 28 on line 30, this is your “TOTAL AMOUNT.”

Line 31. For Amended Return ONLY, see Instructions for Filing an Amended Form G-45.

Line 32. For Amended Return ONLY, see Instructions for Filing an Amended Form G-45.

Line 33. For Amended Return ONLY, see Instructions for Filing an Amended Form G-45.

Line 34. If you file a tax return after the due date, and if there is tax due on the return, then you must compute penalty and interest charges. After computing the amounts, enter the results to the right of “PENALTY \$” and “INTEREST \$” and enter the total of the two amounts on line 34.

If you need help computing the penalty and interest, you can contact 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.

Line 35. Add the amounts on lines 30 and 34, and enter the “TOTAL AMOUNT DUE AND PAYABLE” here.

Line 36. NOTE: If you are NOT submitting a check with your return, enter “0.00” here. Otherwise enter the “AMOUNT OF YOUR PAYMENT,” including any penalty and interest, on line 36. Mail your check or money order for this amount payable to “Hawaii State Tax Collector” to the P.O. Box on the form. Include the filing period, your Hawaii Tax I.D. No., and your daytime phone number on your check or money order.

Can I charge my customer for the general excise tax?

You are not required to charge or to pass on the general excise tax to your customer, but you may choose to “charge” your customer for the general excise tax. Many vendors choose to separately itemize this amount on the invoice to your customer. Sounds simple enough, but if you simply add these rates to your sales you will still end up collecting less money than you have pay to the state. Why?

It’s because Hawaii levies GE Tax based on gross sales income, unlike sales tax in most states, where businesses are treated more like a tax collector.

Let’s look at a simple example. Say we make 10 CSA sales at \$100 per sale, collecting \$1000. If we add 4.5% to our customer’s bill, we would have collected \$1045. This becomes our gross sales, and this amount is subject to the excise tax.

When we go to pay our GE Tax bill to the state, we end up multiplying our gross sales by 4.5%. In this case it would be $\$1045 * 0.045$ which is $\$47.03$.

See the problem? We collected \$45 from the customer to cover our GE Tax expense but we paid \$47 to the State of Hawaii. This can really add up especially if you have a lot of gross sales (not a bad problem to have).

To bridge the gap between what a business collects from their customers and what is payed to the state, businesses are allowed (in many cases) to add 4.1666% to each sale on Maui (the county with no surcharge), or 4.712% to each sale on Oahu, Kauai, and the big island. (From <https://www.taxservicesoahu.com/>)