



UNIVERSITY
of HAWAII®
SYSTEM

CERTIFICATION REGARDING TAX STATUS
OF
THE UNIVERSITY OF HAWAII

To Whom It May Concern:

Federal or State Income Tax:

The University of Hawai'i is an instrumentality of the State, established by law under Hawaii Revised Statute §304A-103. As such, the University of Hawai'i is statutorily exempt from income taxes under Internal Revenue Code §115. Consequently, a tax exemption certificate is not necessary and may not be issued by the Internal Revenue Service. Therefore, with the exception of unrelated business income tax, in accordance with Internal Revenue Code §115, the University of Hawai'i is exempt from Federal and State income tax.

Hawaii General Excise Tax:

The State of Hawaii does not impose a sales tax on the buyer, but a general excise Tax (GET) is levied upon the seller. This excise tax is for the privilege of doing business in the State of Hawai'i. GET is levied on gross receipts or gross income derived from all business activities in the State. Furthermore, an out-of-state vendor is subject to the general excise tax if the vendor has sufficient presence in the State; presence in the State is established if the vendor has an office, inventory, property, employees, or other representation located in the State. If the vendor meets the criteria of conducting business within the State of Hawaii, the GET is imposed upon the vendor. The vendor may then pass the GET onto the University.


Paul Y. Kobayashi
Director, Financial Management Office/Controller

[§304A-103] University to be public corporation; general powers. The University of Hawaii is established as the state university and is constituted as a body corporate. The university, under the direction of the board of regents, shall have the following general powers:

- (1) To adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the powers and duties granted to or imposed upon it by law;
- (2) To acquire in any lawful manner any property, real, personal, or mixed, tangible or intangible, or any interest therein; to hold, maintain, use, and operate that property; and to sell, lease, or otherwise dispose of that property at such time, in such manner, and to the extent deemed necessary or appropriate to carry out its purposes;
- (3) To enter into and perform contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its business and on terms it may deem appropriate, with any agency or instrumentality of the United States, with any state, territory, or possession, or with any political subdivision thereof, or with any person, firm, association, or corporation;
- (4) To determine the character of and the necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to the university;
- (5) To execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its powers; and
- (6) To take such actions as may be necessary or appropriate to carry out the powers conferred upon it by law. [L 2006, c 75, pt of §2]

Note

East-West Center:

Corporation Act. L 1975, c 82; L 1997, c 137; L 1998, c 2, §110.
Extension of Social Security Act to center employees. L 2004, c 176.

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