CERTIFICATION REGARDING TAX STATUS
OF
THE UNIVERSITY OF HAWAI‘I

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.

Susan Lin
Director, Financial Management Office/Controller