
A BILL FOR AN ACT

RELATING TO FUEL TAX.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 243-4, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:
3 "(a) Every distributor, in addition to any other taxes
4 provided by law, shall pay a license tax to the department of
5 taxation for each gallon of liquid fuel refined, manufactured,
6 produced, or compounded by the distributor and sold or used by
7 the distributor in the [~~State~~] state or imported by the
8 distributor, or acquired by the distributor from persons who are
9 not licensed distributors, and sold or used by the distributor
10 in the [~~State-~~] state. Any person who sells or uses any liquid
11 fuel, knowing that the distributor from whom it was originally
12 purchased has not paid and is not paying the tax thereon, shall
13 pay such tax as would have applied to such sale or use by the
14 distributor. The rates of tax imposed are as follows:
15 (1) For each gallon of diesel oil, 2 cents; except for
16 each gallon of diesel oil sold for use in a power-
17 generating facility, 1 cent;



- 1 (2) For each gallon of gasoline or other aviation fuel
2 sold for use in or used for airplanes, 2 cents;
- 3 (3) For each gallon of naphtha sold for use in a power-
4 generating facility, 1 cent;
- 5 (4) For each gallon of liquid fuel, other than fuel
6 mentioned in paragraphs (1), (2), and (3), and other
7 than an alternative fuel, sold or used in the city and
8 county of Honolulu, or sold in any county for ultimate
9 use in the city and county of Honolulu, 17 cents state
10 tax, and in addition thereto an amount, to be known as
11 the "city and county of Honolulu fuel tax", as shall
12 be levied pursuant to section 243-5;
- 13 (5) For each gallon of liquid fuel, other than fuel
14 mentioned in paragraphs (1), (2), and (3), and other
15 than an alternative fuel, sold or used in the county
16 of Hawaii, or sold in any county for ultimate use in
17 the county of Hawaii, 17 cents state tax, and in
18 addition thereto an amount, to be known as the "county
19 of Hawaii fuel tax", as shall be levied pursuant to
20 section 243-5;
- 21 (6) For each gallon of liquid fuel, other than fuel
22 mentioned in paragraphs (1), (2), and (3), and other



1 than an alternative fuel, sold or used in the county
2 of Maui, or sold in any county for ultimate use in the
3 county of Maui, 17 cents state tax, and in addition
4 thereto an amount, to be known as the "county of Maui
5 fuel tax", as shall be levied pursuant to section 243-
6 5; and

7 (7) For each gallon of liquid fuel, other than fuel
8 mentioned in paragraphs (1), (2), and (3), and other
9 than an alternative fuel, sold or used in the county
10 of Kauai, or sold in any county for ultimate use in
11 the county of Kauai, 17 cents state tax, and in
12 addition thereto an amount, to be known as the "county
13 of Kauai fuel tax", as shall be levied pursuant to
14 section 243-5.

15 If it is shown to the satisfaction of the department, based
16 upon proper records and from any other evidence as the
17 department may require, that liquid fuel, other than fuel
18 mentioned in paragraphs (1), (2), and (3), is used for
19 agricultural equipment that does not operate upon the public
20 highways of the State, the user thereof may obtain a refund of
21 all taxes thereon imposed by this section in excess of 1 cent



1 per gallon. The department shall adopt rules to administer such
2 refunds."

3 SECTION 2. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 3. This Act shall take effect on October 1, 2008;
6 provided that the amendments made to section 243-4, Hawaii
7 Revised Statutes, by this Act shall not be repealed when that
8 section is repealed and reenacted on December 31, 2009 by
9 section 5(1) of Act 103, Session Laws of Hawaii 2007.



Report Title:

Fuel Tax; License Tax; Diesel Oil; Power-Generating Facility

Description:

Clarifies that the license tax on diesel fuel is 1 cent, rather than 2 cents if used in power-generating facilities. (HB2922 HD1)

