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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. Section 245-3, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3           "(a) Every wholesaler or dealer, in addition to any other  
4 taxes provided by law, shall pay for the privilege of conducting  
5 business and other activities in the State:

6           (1) An excise tax equal to 5.00 cents for each cigarette  
7 sold, used, or [7] possessed by a wholesaler or dealer  
8 after June 30, 1998, whether or not sold at wholesale,  
9 or if not sold then at the same rate upon the use by  
10 the wholesaler or dealer;

11           (2) An excise tax equal to 6.00 cents for each cigarette  
12 sold, used, or possessed by a wholesaler or dealer  
13 after September 30, 2002, whether or not sold at  
14 wholesale, or if not sold then at the same rate upon  
15 the use by the wholesaler or dealer;

16           (3) An excise tax equal to 6.50 cents for each cigarette  
17 sold, used, or possessed by a wholesaler or dealer  
18 after June 30, 2003, whether or not sold at wholesale,



1 or if not sold then at the same rate upon the use by  
2 the wholesaler or dealer;

3 (4) An excise tax equal to 7.00 cents for each cigarette  
4 sold, used, or possessed by a wholesaler or dealer  
5 after June 30, 2004, whether or not sold at wholesale,  
6 or if not sold then at the same rate upon the use by  
7 the wholesaler or dealer;

8 (5) An excise tax equal to 8.00 cents for each cigarette  
9 sold, used, or possessed by a wholesaler or dealer on  
10 and after September 30, 2006, whether or not sold at  
11 wholesale, or if not sold then at the same rate upon  
12 the use by the wholesaler or dealer;

13 (6) An excise tax equal to 9.00 cents for each cigarette  
14 sold, used, or possessed by a wholesaler or dealer on  
15 and after September 30, 2007, whether or not sold at  
16 wholesale, or if not sold then at the same rate upon  
17 the use by the wholesaler or dealer;

18 (7) An excise tax equal to 10.00 cents for each cigarette  
19 sold, used, or possessed by a wholesaler or dealer on  
20 and after September 30, 2008, whether or not sold at  
21 wholesale, or if not sold then at the same rate upon  
22 the use by the wholesaler or dealer;



- 1 (8) An excise tax equal to [~~11.00~~] 20.00 cents for each  
2 cigarette sold, used, or possessed by a wholesaler or  
3 dealer on and after [~~September 30,~~] July 1, 2009,  
4 whether or not sold at wholesale, or if not sold then  
5 at the same rate upon the use by the wholesaler or  
6 dealer;
- 7 [~~(9) An excise tax equal to 12.00 cents for each cigarette~~  
8 ~~sold, used, or possessed by a wholesaler or dealer on~~  
9 ~~and after September 30, 2010, whether or not sold at~~  
10 ~~wholesale, or if not sold then at the same rate upon~~  
11 ~~the use by the wholesaler or dealer;~~
- 12 [~~(10) An excise tax equal to 13.00 cents for each cigarette~~  
13 ~~sold, used, or possessed by a wholesaler or dealer on~~  
14 ~~and after September 30, 2011, whether or not sold at~~  
15 ~~wholesale, or if not sold then at the same rate upon~~  
16 ~~the use by the wholesaler or dealer;~~] and
- 17 [~~(11)~~] (9) An excise tax equal to forty per cent of the  
18 wholesale price of each article or item of tobacco  
19 products sold by the wholesaler or dealer, whether or  
20 not sold at wholesale, or if not sold then at the same  
21 rate upon the use by the wholesaler or dealer.



1 Where the tax imposed has been paid on cigarettes or tobacco  
2 products that thereafter become the subject of a casualty loss  
3 deduction allowable under chapter 235, the tax paid shall be  
4 refunded or credited to the account of the wholesaler or  
5 dealer. The tax shall be applied to cigarettes through the use  
6 of stamps."

7 SECTION 2. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9 SECTION 3. This Act shall take effect on July 1, 2020.



**Report Title:**

Cigarette Tax Increase

**Description:**

Increases the cigarette tax from 10 cents per cigarette to 20 cents per cigarette beginning July 1, 2009. Effective July 1, 2020. (HB1175 HD3)

