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## A BILL FOR AN ACT

RELATING TO VETERANS SERVICES.

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

1           SECTION 1. The legislature finds that more members of the  
2 Hawaii national guard have been activated for federal service  
3 and deployed for combat duty in Afghanistan and Iraq than at any  
4 point in Hawaii's history. When the drawdown American troops  
5 stationed in those countries finally occurs, thousands of active  
6 and reserve component veterans from Hawaii will return home.  
7 Many of these veterans will need medical care for physical  
8 injuries and psychological trauma. The legislature further  
9 finds that many members and former members of the Hawaii  
10 national guard will find themselves ineligible for benefits from  
11 the United States Department of Veterans Affairs. Without this  
12 federal assistance, the responsibility for providing medical  
13 care and other medical support services will be left to the  
14 State.

15           The legislature notes that the State's health and social  
16 services systems are already overburdened, providing for the  
17 needs of the general public, and moneys available from the  
18 general fund to provide additional services for the influx of



1 veterans will be limited. Therefore, the legislature finds that  
 2 it is appropriate to create a special funding mechanism to  
 3 provide for the additional medical needs of these veterans. The  
 4 legislature further finds that an additional tax on the sale and  
 5 distribution of liquor is an appropriate method for providing  
 6 the necessary funds to care for Hawaii's returning veterans who  
 7 need medical and psychological care. Accordingly, the purpose  
 8 of this Act is to create the veterans' services special fund, to  
 9 be funded by a veterans' services tax on liquor.

10 SECTION 2. Chapter 244D, Hawaii Revised Statutes, is  
 11 amended by adding a new section to be appropriately designated  
 12 and to read as follows:

13 "§244D- Veterans' services tax; disposition of  
 14 revenues. (a) In addition to any other taxes provided by law,  
 15 every person who sells or uses any liquor in the State who is  
 16 subject to a gallonage tax under chapter 244D, shall pay a  
 17 veterans' services tax which is hereby imposed at the following  
 18 rates for the various liquor categories defined in section

19 244D-1:

- 20 (1) \_\_\_\_\_ per wine gallon on distilled spirits;
- 21 (2) \_\_\_\_\_ per wine gallon on sparkling wine;
- 22 (3) \_\_\_\_\_ per wine gallon on still wine;



- 1           (4)                         per wine gallon on cooler beverages;
- 2           (5)                         per wine gallon on beer other than draft beer;
- 3           (6)                         per wine gallon on draft beer;

4 and at a proportionate rate for any other quantity so sold or  
 5 used.

6           (b) All moneys collected pursuant to this section shall be  
 7 deposited to the credit of the veterans' services special fund,  
 8 established pursuant to section 363- .

9           (c) The department shall provide an annual accounting of  
 10 these dispositions to the legislature."

11           SECTION 3. Chapter 363, Hawaii Revised Statutes, is  
 12 amended by adding a new section to be appropriately designated  
 13 and to read as follows:

14           "**§363-       Veterans' services special fund; use of funds.**

15           (a) There is established in the state treasury the veterans'  
 16 services special fund, into which shall be deposited revenue  
 17 from the veterans' services tax pursuant to section 244D- .

18           (b) Moneys in the veterans' services special fund shall be  
 19 used for the provision of medical support services for veterans  
 20 who:

- 21           (1) Are residents of Hawaii;





**Report Title:**

Veterans Services; Liquor Taxation

**Description:**

Establishes the veterans' services special fund to provide medical support services to Hawaii veterans. Establishes a veterans' service tax on liquor and deposits the revenue into the veterans' services special fund.

