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# A BILL FOR AN ACT

RELATING TO FIREWORKS.

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

1           SECTION 1. Chapter 237, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§237-    Consumer fireworks tax. (a) There is hereby  
5 levied and shall be assessed and collected with each  
6 transaction, in addition to any other tax imposed under this  
7 chapter and license or fee imposed under chapter 132D, a  
8 consumer fireworks tax against wholesalers, as defined in  
9 section 237-4(a)(1), of consumer fireworks, as defined in  
10 section 132D-2, measured by the application of rates against the  
11 gross proceeds of sales as provided in subsection (b).

12           (b) Upon every person engaged in the sales of consumer  
13 fireworks at wholesale to a retail merchant, jobber, or other  
14 licensed seller for purposes of resale consumer fireworks, there  
15 shall be levied, assessed, and collected a consumer fireworks  
16 tax equal to the value of the consumer fireworks, as shown by

1 the gross proceeds derived from the sale thereof by the  
2 wholesaler, multiplied by eight per cent.

3 (c) Beginning January 1, 2010, the consumer fireworks tax  
4 shall be paid to the State, in the same manner as the return for  
5 the general excise tax under section 237-30(b)(1), in quarterly  
6 installments on or before the last day of the calendar month  
7 after the close of each quarter in which the taxes accrue, and  
8 shall be paid by transmitting the signed return together with  
9 the remittance in the manner provided in section 237-31. Annual  
10 return and payment of tax under section 237-33 shall apply to  
11 this section.

12 (d) Audits, procedures, and penalties under sections 237-  
13 39 and 237-32 shall apply to this section.

14 (e) All remittances of taxes imposed by this section shall  
15 be deposited into the state treasury as a state realization;  
16 provided that per cent of remittances under this section  
17 shall be set aside in a separate account to be drawn upon,  
18 without appropriation by the legislature, by the department of  
19 the attorney general and the department of taxation for  
20 implementation and enforcement of this section; provided further  
21 that the department of the attorney general and the department  
22 of taxation shall coordinate implementation and enforcement so

1 as to minimize duplication of services; and provided further  
2 that the department of the attorney general and the department  
3 of taxation shall report to the legislature prior to the  
4 commencement of each regular session on the expenses paid from  
5 the separate account in the year immediately preceding the  
6 report."

7 SECTION 2. Section 132D-2, Hawaii Revised Statutes, is  
8 amended by amending the definition of "cultural" to read as  
9 follows:

10 ""Cultural" means relating to the arts, customs,  
11 traditions, mores, and history of all of the various ethnic  
12 groups of Hawaii[-] and includes religious events held in the  
13 State."

14 SECTION 3. Section 132D-3, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 "**§132D-3 Permissible uses of consumer fireworks.** Consumer  
17 fireworks may be set off, ignited, discharged, or otherwise  
18 caused to explode within the State only:

19 (1) From 9:00 p.m. on New Year's Eve to 1:00 a.m. on New  
20 Year's Day; from 7:00 a.m. to 7:00 p.m. on Chinese New  
21 Year's Day; and from 1:00 p.m. to 9:00 p.m. on the  
22 Fourth of July; or

1 (2) From 9:00 a.m. to 9:00 p.m. as allowed by permit  
2 pursuant to section 132D-10 if the proposed cultural  
3 use is to occur at any time other than during the  
4 periods prescribed in paragraph (1) [~~+~~  
5 ~~provided that the purchase of not more than five thousand~~  
6 ~~individual consumer fireworks commonly known as firecrackers~~  
7 ~~shall be allowed under each permit]."~~

8 SECTION 4. Section 132D-10, Hawaii Revised Statutes, is  
9 amended to read as follows:

10 "**§132D-10 Permits.** (a) [A] Except as provided in  
11 subsection (b), a permit shall be required for the purchase and  
12 use of:

13 (1) Any consumer fireworks [~~commonly known as~~  
14 ~~firecrackers~~] upon payment of a fee of [~~\$25+~~]  
15 \$ \_\_\_\_\_ ;

16 (2) Any aerial devices, display fireworks, or articles  
17 pyrotechnic for the purposes of section 132D-16 upon  
18 payment of a fee of [~~\$110+~~] \$ \_\_\_\_\_ ; and

19 (3) Any consumer fireworks for the purposes of section  
20 132D-5 or for cultural uses that occur at any time  
21 other than during the periods prescribed in section

1           132D-3(1) upon a payment of a fee of [~~\$25.~~]

2           \$ \_\_\_\_\_.

3           (b) The purchase of more than \$25 worth of consumer  
4 fireworks under subsection (a)(1) or (3) shall require the  
5 payment of the following surcharge fees:

<u>Fireworks purchase of:</u>	<u>Fee:</u>
7 <u>More than \$25, but less than \$100</u>	\$ _____ ;
8 <u>At least \$100, but less than \$150</u>	\$ _____ ;
9 <u>At least \$150, but less than \$200</u>	\$ _____ ; and
10 <u>\$200 or more</u>	\$ _____ .

11          (c) Only one permit shall be issued per person under  
12 subsection (a)(1) or (a)(3) and the purchase of not more than  
13 five thousand individual consumer fireworks commonly known as  
14 firecrackers shall be allowed for each permit issued.

15          (d) Fees collected under this section shall be credited to  
16 the county that collected the fee to defray expenses associated  
17 with enforcement of this chapter."

18          SECTION 5. Section 132D-14, Hawaii Revised Statutes, is  
19 amended by amending subsections (b) and (c) to read as follows:

20          "(b) Except as provided in subsection (a) or as otherwise  
21 specifically provided for in this chapter, any person violating

1 any other provision of this chapter, shall be fined not more  
2 than [~~\$2,000~~] \$10,000 for each violation.

3 (c) The court shall collect the fines imposed in  
4 subsections (a) and (b) for violating this chapter and [~~of the~~]  
5 shall transfer all fines collected [~~shall pay twenty per cent to~~  
6 ~~the State and eighty per cent to the county in which the fine~~  
7 ~~was imposed which shall be expended by the county for law~~  
8 ~~enforcement purposes.~~] into the general fund."

9 SECTION 6. The department of taxation shall report to the  
10 legislature no later than twenty days prior to the convening of  
11 the regular session of 2011, on a plan to impose a tax on retail  
12 sales of fireworks, consumer fireworks, aerial devices, articles  
13 pyrotechnic, and display fireworks, as those terms are defined  
14 and used in chapter 132D, Hawaii Revised Statutes, including  
15 proposed legislation.

16 SECTION 7. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 8. This Act shall take effect on July 1, 2050.

19

**Report Title:**

Fireworks; Permit Fees; Tax

**Description:**

Imposes a consumer fireworks tax at the wholesale level. Clarifies definition of "cultural" to include religious events held in the State. Increases fireworks permit fees. Dedicates fireworks permit fees to counties for law enforcement purposes. Increases fines for violation. Effective 7/1/2050. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*