
A BILL FOR AN ACT

RELATING TO THE LIQUOR TAX LAW.

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

1 SECTION 1. Section 244D-1, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By adding a new definition of "proof gallon" to be
4 appropriately inserted and to read:

5 "Proof gallon" means that liquid measure containing one
6 hundred twenty-eight fluid ounces (3.7854 liters) of one hundred
7 proof distilled spirits containing fifty per cent alcohol by
8 volume. The proof gallon for spirits containing less than or
9 more than fifty per cent alcohol by volume is calculated by
10 multiplying the proof by 0.01."

11 2. By amending the definitions of "beer," "distilled
12 spirits," "liquor," and "wine" to read:

13 "Beer" means any alcoholic beverage obtained by the
14 fermentation or any infusion or decoction of barley, malt, hops,
15 or any other similar product, or any combination thereof in
16 water, and includes ale, porter, brown, stout, lager beer, small
17 beer, and strong beer; or any alcoholic beverage produced from a
18 malt beverage base to which non-beverage flavorings are added



1 but does not include sake, known as Japanese rice wine [~~or~~
2 cooler beverage]."

3 "Distilled spirits" means an alcoholic beverage obtained by
4 the distillation of fermented agricultural products, and
5 includes alcohol for beverage use, spirits of wine, whiskey,
6 rum, brandy, and gin, including all dilutions and mixtures
7 thereof, but does not include beer, draft beer, [~~cooler~~
8 beverage,] or wine.

9 "Liquor" has the same meaning as set forth in section 281-1
10 and includes alcohol, and the liquor categories: beer, draft
11 beer, [~~cooler beverage,~~] distilled spirits, and wine.

12 "Wine" means the product obtained from normal alcoholic
13 fermentation of the juice of sound ripe grapes or other
14 agricultural products containing natural or added sugar or any
15 such alcoholic beverage to which is added grape brandy, fruit
16 brandy, or spirits of wine, which is distilled from the
17 particular agricultural product or products of which the wine is
18 made and other rectified wine products and by whatever name and
19 which contains not more than twenty-four per cent of alcohol by
20 volume, and includes vermouth and sake, known as Japanese rice
21 wine [~~but does not include cooler beverage~~]."



1 3. By deleting the definition of "cooler beverage":

2 ~~["Cooler beverage" means either (1) a wine cooler~~
3 ~~containing wine and more than fifteen per cent added natural or~~
4 ~~artificial blending material, such as fruit juices, flavors,~~
5 ~~flavorings, or adjuncts, water (plain, carbonated, or~~
6 ~~sparkling), colorings, or preservatives, and which contains less~~
7 ~~than seven per cent of alcohol by volume; or (2) a malt beverage~~
8 ~~cooler containing beer and added natural or artificial blending~~
9 ~~material such as fruit juices, flavors, flavorings, colorings,~~
10 ~~or preservatives, and which contains less than seven per cent of~~
11 ~~alcohol by volume."]~~

12 SECTION 2. Section 244D-4, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) Every person who sells or uses any liquor in the
15 State not taxable under this chapter, in respect of the
16 transaction by which the person or the person's vendor acquired
17 the liquor, shall pay a [gallenage] tax which is hereby imposed
18 at the following rates for the various liquor categories defined
19 in section 244D-1:

20 ~~[For the period July 1, 1997, to June 30, 1998, the tax~~
21 ~~rate shall be:~~

22 ~~(1) \$5.92 per wine gallon on distilled spirits,~~



- 1 ~~(2) \$2.09 per wine gallon on sparkling wine;~~
- 2 ~~(3) \$1.36 per wine gallon on still wine;~~
- 3 ~~(4) \$0.84 per wine gallon on cooler beverages;~~
- 4 ~~(5) \$0.92 per wine gallon on beer other than draft beer;~~
- 5 ~~(6) \$0.53 per wine gallon on draft beer;~~

6 ~~On July 1, 1998, and thereafter, the tax rate shall be:~~

- 7 ~~(1) \$5.98 per wine gallon on distilled spirits;~~
- 8 ~~(2) \$2.12 per wine gallon on sparkling wine;~~
- 9 ~~(3) \$1.38 per wine gallon on still wine;~~
- 10 ~~(4) \$0.85 per wine gallon on cooler beverages;~~
- 11 ~~(5) \$0.93 per wine gallon on beer other than draft beer;~~
- 12 ~~(6) \$0.54 per wine gallon on draft beer;]~~

13 On July 1, 2011, and thereafter, the tax rate shall be:

- 14 (1) \$7.45 on each proof gallon of distilled spirits and a
- 15 proportionate tax at the like rate on all fractional
- 16 parts of a proof gallon. Wines containing more than
- 17 twenty-four per cent alcohol by volume shall be taxed
- 18 as distilled spirits;
- 19 (2) \$2.12 per wine gallon on sparkling wine;
- 20 (3) \$3.11 per wine gallon on still wine containing more
- 21 than twenty-one per cent and not exceeding twenty-four
- 22 per cent alcohol by volume;



- 1 (4) \$2.08 per wine gallon on still wine containing more
2 than fourteen per cent and not exceeding twenty-one
3 per cent alcohol by volume;
- 4 (5) \$1.38 per wine gallon on still wine containing not
5 more than fourteen per cent alcohol by volume;
- 6 (6) \$0.93 per wine gallon on beer other than draft beer;
- 7 (7) \$0.54 per wine gallon on draft beer;

8 and at a proportionate rate for any other quantity so sold or
9 used."

10 SECTION 3. Section 244D-6, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "**§244D-6 Return, form, contents.** Every taxpayer shall, on
13 or before the last day of each month, file with the department
14 of taxation in the taxation district in which the taxpayer's
15 business premises are located, or with the department in
16 Honolulu, a return showing all sales of liquor by proof
17 gallonage or gallonage and dollar volume in each liquor category
18 defined in section 244D-1 and taxed under section 244D-4(a) made
19 by the taxpayer during the preceding month, showing separately
20 the amount of the nontaxable sales, and the amount of the
21 taxable sales, and the tax payable thereon. The return shall
22 also show the amount of liquor by proof gallonage or gallonage



1 and dollar volume in each liquor category defined in section
2 244D-1 and taxed under section 244D-4(a) used during the
3 preceding month which is subject to tax, and the tax payable
4 thereon. The form of return shall be prescribed by the
5 department and shall contain such information as it may deem
6 necessary for the proper administration of this chapter."

7 SECTION 4. Section 244D-9, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "§244D-9 Records to be kept. (a) Every dealer shall keep
10 a record of all sales of liquor by proof gallonage or gallonage
11 and dollar volume in each liquor category defined in section
12 244D-1 and taxed under section 244D-4(a) made by the dealer, in
13 such form as the department of taxation may prescribe. Every
14 person holding a license under the liquor law, other than a
15 manufacturer's or wholesaler's license, shall keep a record of
16 all purchases by the person of liquor by proof gallonage or
17 gallonage and dollar volume in each liquor category defined in
18 section 244D-1 and taxed under section 244D-4(a), in such form
19 as the department may prescribe. All such records shall be
20 offered for inspection and examination at any time upon demand
21 by the department or commission and shall be preserved for a
22 period of five years, except that the department may in writing



1 consent to their destruction within such period or may require
2 that they be kept longer.

3 The department may by rule require the dealer to keep such
4 other records as it may deem necessary for the proper
5 enforcement of this chapter."

6 SECTION 5. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 6. This Act shall take effect on July 1, 2011.

9

INTRODUCED BY: _____



JAN 25 2010



Report Title:
Liquor Tax Law

Description:
Amends various liquor tax laws.

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

