

JAN 22 2009

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. The legislature finds that the liquor tax rates
2 were last adjusted over ten years ago in 1997. The purpose of
3 this Act is to re-adjust the liquor tax rates to conform to the
4 level of present consumer prices and to direct the increased tax
5 revenues to the Hawaii health systems corporation to assist the
6 corporation in providing care to the uninsured.

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

9 "(a) Every person who sells or uses any liquor in the
10 State not taxable under this chapter, in respect of the
11 transaction by which the person or the person's vendor acquired
12 the liquor, shall pay a gallonage tax which is hereby imposed at
13 the following rates for the various liquor categories defined in
14 section 244D-1:

15 For the period July 1, 1997, to June 30, 1998, the tax rate
16 shall be:

17 (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,~~] to June 30, 2009, the
7 tax rate shall be:

- 8 (1) \$5.98 per wine gallon on distilled spirits;
- 9 (2) \$2.12 per wine gallon on sparkling wine;
- 10 (3) \$1.38 per wine gallon on still wine;
- 11 (4) \$0.85 per wine gallon on cooler beverages;
- 12 (5) \$0.93 per wine gallon on beer other than draft beer;
- 13 (6) \$0.54 per wine gallon on draft beer;

14 On July 1, 2009, and thereafter, the tax rate shall be:

- 15 (1) \$. per wine gallon on distilled spirits;
- 16 (2) \$. per wine gallon on sparkling wine;
- 17 (3) \$. per wine gallon on still wine;
- 18 (4) \$. per wine gallon on cooler beverages;
- 19 (5) \$. per wine gallon on beer other than draft beer;
- 20 (6) \$. per wine gallon on draft beer;

21 and at a proportionate rate for any other quantity so sold or
22 used."



1 SECTION 3. Section 244D-17, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[+]§244D-17[+] Disposition of revenues. All moneys
4 collected pursuant to this chapter shall be paid into the state
5 treasury as state realizations, to be kept and accounted for as
6 provided by law[-]; provided that the increase in moneys
7 attributable to the increase in the tax rate for the period
8 July 1, 2009, and thereafter, over the tax rate for the period
9 July 1, 1998, to June 30, 2009, shall be deposited into the
10 health systems special fund."

11 SECTION 4. Section 323F-21, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

13 "(a) There is created in the state treasury a special fund
14 to be known as the health systems special fund, into which shall
15 be deposited all fees, proceeds, reimbursements, and the like
16 owed to or received by the corporation, any regional system
17 board, and its facilities, except as herein provided. There
18 shall be established within the special fund regional
19 subaccounts for each regional system board upon its
20 establishment. The special fund and the regional subaccounts
21 shall be used solely to fulfill the purposes outlined in this
22 chapter[-]; provided that moneys received as revenues from a



1 portion of the liquor tax pursuant to section 244D-17 shall be
2 used to supplement the cost of providing care to the uninsured.

3 The corporation and each regional system board may
4 establish and maintain, within the health systems special fund
5 or any regional subaccount, any other accounts that may be
6 necessary and appropriate to carry out its purposes and
7 responsibilities.

8 The corporation and any regional system board may deposit
9 moneys into trustee accounts for the purposes of securing or
10 issuing bonds.

11 The corporation and regional system boards may provide
12 reasonable reserves for any of the following purposes:

- 13 (1) Insurance deductibles;
- 14 (2) The improvement, replacement, or expansion of their
15 facilities or services;
- 16 (3) The securing of the corporation's or regional system
17 boards' bonds, notes, or other instruments of
18 indebtedness; or
- 19 (4) Any other purpose the corporation or the regional
20 system boards deem necessary or appropriate in the
21 performance of their purposes and responsibilities."



1 SECTION 5. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun, before its effective date.

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

6 SECTION 7. This Act shall take effect on July 1, 2009.
7

INTRODUCED BY:

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Report Title:

Liquor tax; Hawaii Health Systems Corporation

Description:

Increases the liquor tax and directs the increased revenues to the health systems special fund.

