
A BILL FOR AN ACT

RELATING TO LIQUOR.

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

1 PART I

2 SECTION 1. The purpose of this part is to increase the
3 various liquor tax rates.

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

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

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

14 ~~(1) \$5.92 per wine gallon on distilled spirits;~~

15 ~~(2) \$2.09 per wine gallon on sparkling wine;~~

16 ~~(3) \$1.36 per wine gallon on still wine;~~



1 the taxable year. Beer produced after the first sixty thousand
2 barrels during a taxable year shall be taxed under section 244D-
3 4(a)."

4 SECTION 4. Section 244D-1, Hawaii Revised Statutes, is
5 amended by adding two new definitions to be appropriately
6 inserted and to read as follows:

7 "Barrel" means a barrel containing not more than thirty-
8 one gallons or wine gallons of liquor.

9 "Small brewery or brewpub" means a brewery or brewpub that
10 brews or produces not more than two million barrels of beer per
11 taxable year."

12 SECTION 5. Section 244D-4, Hawaii Revised Statutes, is
13 amended by amending subsection (b) to read as follows:

14 "(b) The tax levied pursuant to subsection (a) shall be
15 paid only once upon the same liquor; provided further that the
16 tax shall not apply to:

- 17 (1) Liquor held for sale by a permittee but not yet sold;
18 (2) Liquor sold by one permittee to another permittee;
19 (3) Liquor which under the Constitution and laws of the
20 United States cannot be legally subjected to the tax
21 imposed by this chapter so long as and to the extent
22 to which the State is without power to impose the tax;



- 1 (4) Liquor sold for sacramental purposes or the use of
2 liquor for sacramental purposes, or any liquor
3 imported pursuant to section 281-33;
- 4 (5) Alcohol sold pursuant to section 281-37 to a person
5 holding a purchase permit or prescription therefor, or
6 any sale or use of alcohol, so purchased, for other
7 than beverage purposes[~~-~~]; or
- 8 (6) Beer or draft beer that is brewed or produced in the
9 State by a small brewery or brewpub, except as
10 provided under section 244D- ."

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

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



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

8 SECTION 7. Section 244D-9, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) Every dealer shall keep a record of all sales of
11 liquor by gallonage and dollar volume in each liquor category
12 defined in section 244D-1 and taxed under section 244D-4(a) or
13 244D-_____ made by the dealer, in [~~such~~] a form as the department
14 of taxation may prescribe. Every person holding a license under
15 the liquor law, other than a manufacturer's or wholesaler's
16 license, shall keep a record of all purchases by the person of
17 liquor by gallonage and dollar volume in each liquor category
18 defined in section 244D-1 and taxed under section 244D-4(a) [~~7~~]
19 or 244D-_____, in [~~such~~] a form as the department may prescribe.
20 All [~~such~~] records required under this subsection shall be
21 offered for inspection and examination at any time upon demand
22 by the department or commission and shall be preserved for a



1 period of five years, except that the department may consent in
2 writing [~~consent~~] to their destruction within [~~such~~] the five-
3 year period or may require that they be kept longer.

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

7 PART III.

8 SECTION 8. The purpose of this part is to allow Hawaii
9 consumers to receive discounts, coupons and rebates on the
10 combined purchase of alcoholic beverages and other grocery
11 items.

12 SECTION 9. Section 281-85, Hawaii Revised Statutes, is
13 amended by amending subsection (b) to read as follows:

14 "(b) It shall be unlawful for any person acting as agent
15 or representative of a nonresident principal or for any licensee
16 directly or indirectly, or through any subsidiary or affiliate,
17 to give any premium or free goods of intoxicating liquor or
18 other merchandise in connection with the sale of any
19 intoxicating liquor; or to offer or to provide any premium or
20 free goods of intoxicating liquor in connection with the sale of
21 other merchandise. Notwithstanding any other provision of this
22 chapter to the contrary, it shall be lawful for any person



1 acting as an agent or representative of a nonresident principal
2 or for any licensee directly or indirectly, or through any
3 subsidiary or affiliate, to provide a discount to the consumer,
4 either in the form of a coupon redeemed through a retail
5 licensee or through a mail-in rebate that the consumer sends to
6 the licensee or its agent or representative, when purchasing
7 intoxicating liquor in combination with other merchandise."

8 PART IV.

9 SECTION 10. If any provision of this Act, or the
10 application thereof to any person or circumstance is held
11 invalid, the invalidity does not affect other provisions or
12 applications of the Act, which can be given effect without the
13 invalid provision or application, and to this end the provisions
14 of this Act are severable.

15 SECTION 11. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 12. This Act shall take effect on July 1, 2011.

18



Report Title:

Liquor; Discounts

Description:

Increases liquor tax rates. Reduces the liquor tax rate on beer for small breweries or brewpubs. Makes it lawful to provide a discount for liquor purchases through coupons or mail-in rebates when made in combination with other merchandise. (Proposed HD1)

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

