
A BILL FOR AN ACT

RELATING TO TAXES.

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

1 SECTION 1. Section 243-4, Hawaii Revised Statutes, is
2 amended by amending subsections (a) and (b) to read as follows:
3 "(a) Every distributor, in addition to any other taxes
4 provided by law, shall pay a license tax to the department of
5 taxation for each gallon of liquid fuel refined, manufactured,
6 produced, or compounded by the distributor and sold or used by
7 the distributor in the State or imported by the distributor, or
8 acquired by the distributor from persons who are not licensed
9 distributors, and sold or used by the distributor in the State.
10 Any person who sells or uses any liquid fuel, knowing that the
11 distributor from whom it was originally purchased has not paid
12 and is not paying the tax thereon, shall pay such tax as would
13 have applied to such sale or use by the distributor. The rates
14 of tax imposed are as follows:
15 (1) For each gallon of diesel oil, 2 cents;
16 (2) For each gallon of gasoline or other aviation fuel
17 sold for use in or used for airplanes, 2 cents;



- 1 (3) For each gallon of naphtha sold for use in a power-
2 generating facility, 2 cents;
- 3 (4) For each gallon of liquid fuel, other than fuel
4 mentioned in paragraphs (1), (2), and (3), and other
5 than an alternative fuel, sold or used in the city and
6 county of Honolulu, or sold in any county for ultimate
7 use in the city and county of Honolulu, 17 cents state
8 tax, and in addition thereto an amount, to be known as
9 the "city and county of Honolulu fuel tax", as shall
10 be levied pursuant to section 243-5;
- 11 (5) For each gallon of liquid fuel, other than fuel
12 mentioned in paragraphs (1), (2), and (3), and other
13 than an alternative fuel, sold or used in the county
14 of Hawaii, or sold in any county for ultimate use in
15 the county of Hawaii, 17 cents state tax, and in
16 addition thereto an amount, to be known as the "county
17 of Hawaii fuel tax", as shall be levied pursuant to
18 section 243-5;
- 19 (6) For each gallon of liquid fuel, other than fuel
20 mentioned in paragraphs (1), (2), and (3), and other
21 than an alternative fuel, sold or used in the county
22 of Maui, or sold in any county for ultimate use in the



1 county of Maui, 17 cents state tax, and in addition
2 thereto an amount, to be known as the "county of Maui
3 fuel tax", as shall be levied pursuant to section 243-
4 5; and

5 (7) For each gallon of liquid fuel, other than fuel
6 mentioned in paragraphs (1), (2), and (3), and other
7 than an alternative fuel, sold or used in the county
8 of Kauai, or sold in any county for ultimate use in
9 the county of Kauai, 17 cents state tax, and in
10 addition thereto an amount, to be known as the "county
11 of Kauai fuel tax", as shall be levied pursuant to
12 section 243-5.

13 If it is shown to the satisfaction of the department, based
14 upon proper records and from any other evidence as the
15 department may require, that liquid fuel, other than fuel
16 mentioned in paragraphs (1), (2), and (3), is used for
17 agricultural equipment that does not operate upon the public
18 highways of the State, the user thereof may obtain a refund of
19 all taxes thereon imposed by this section in excess of 1 cent
20 per gallon. Any diesel oil purchased for use in equipment owned
21 and operated by a county fire department shall not be subject to



1 the diesel oil tax imposed in paragraph (1). The department
2 shall adopt rules to administer such refunds.

3 (b) Every distributor of diesel oil, in addition to the
4 tax required by subsection (a), shall pay a license tax to the
5 department for each gallon of diesel oil sold or used by the
6 distributor for operating a motor vehicle or motor vehicles upon
7 public highways of the State. The rates of the additional tax
8 imposed are as follows:

9 (1) For each gallon of diesel oil sold or used in the city
10 and county of Honolulu, or sold in any other county
11 for ultimate use in the city and county of Honolulu,
12 15 cents state tax, and in addition thereto an amount,
13 to be known as the "city and county of Honolulu fuel
14 tax", as shall be levied pursuant to section 243-5;

15 (2) For each gallon of diesel oil sold or used in the
16 county of Hawaii, or sold in any other county for
17 ultimate use in the county of Hawaii, 15 cents state
18 tax, and in addition thereto an amount, to be known as
19 the "county of Hawaii fuel tax", as shall be levied
20 pursuant to section 243-5;

21 (3) For each gallon of diesel oil sold or used in the
22 county of Maui, or sold in any other county for



1 ultimate use in the county of Maui, 15 cents state
2 tax, and in addition thereto an amount, to be known as
3 the "county of Maui fuel tax", as shall be levied
4 pursuant to section 243-5; and

5 (4) For each gallon of diesel oil sold or used in the
6 county of Kauai, or sold in any other county for
7 ultimate use in the county of Kauai, 15 cents state
8 tax, and in addition thereto an amount, to be known as
9 the "county of Kauai fuel tax", as shall be levied
10 pursuant to section 243-5.

11 If any user of diesel oil furnishes a certificate, in a
12 form that the department shall prescribe, to the distributor or
13 if the distributor who uses diesel oil signs the certificate,
14 certifying that the diesel oil is for use in operating a motor
15 vehicle or motor vehicles in areas other than upon the public
16 highways of the State, the tax as provided in paragraphs (1) to
17 (4) shall not be applicable. If a certificate is not or cannot
18 be furnished and the diesel oil is in fact for use for operating
19 a motor vehicle or motor vehicles in areas other than upon
20 public highways of the State, the user thereof may obtain a
21 refund of all taxes thereon imposed by the foregoing paragraphs.
22 The tax imposed by paragraphs (1) to (4) shall not be applicable

1 to any diesel oil purchased for use in equipment owned and
2 operated by a county fire department. The department shall
3 adopt rules to administer the refunding of such taxes."

4 SECTION 2. New statutory material is underscored.

5 SECTION 3. This Act shall take effect upon its approval;
6 provided that the amendments made to section 234-4(a), Hawaii
7 Revised Statutes, by section 1 of this Act, shall not be
8 repealed when section 234-4(a), Hawaii Revised Statutes, is
9 repealed and reenacted on December 31, 2012, pursuant to section
10 5 of Act 103, Session Laws of Hawaii 2007, as amended by section
11 3 of Act 198, Session Laws of Hawaii 2009.

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INTRODUCED BY:

Cindy Evans
[Signature]

JAN 25 2011



Report Title:

License Taxes; Diesel Oil; County Fire Departments Exempt

Description:

Exempts county fire departments from paying state taxes on diesel oil.

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