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## A BILL FOR AN ACT

RELATING TO TOBACCO PRODUCTS.

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

1           SECTION 1. Section 245-3, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3           "(a) Every wholesaler or dealer, in addition to any other  
4 taxes provided by law, shall pay for the privilege of conducting  
5 business and other activities in the State:

6           (1) An excise tax equal to 5.00 cents for each cigarette  
7                 sold, used, or possessed by a wholesaler or dealer  
8                 after June 30, 1998, whether or not sold at wholesale,  
9                 or if not sold then at the same rate upon the use by  
10                the wholesaler or dealer;

11           (2) An excise tax equal to 6.00 cents for each cigarette  
12                 sold, used, or possessed by a wholesaler or dealer  
13                 after September 30, 2002, whether or not sold at  
14                 wholesale, or if not sold then at the same rate upon  
15                 the use by the wholesaler or dealer;

16           (3) An excise tax equal to 6.50 cents for each cigarette  
17                 sold, used, or possessed by a wholesaler or dealer  
18                 after June 30, 2003, whether or not sold at wholesale,



1 or if not sold then at the same rate upon the use by  
2 the wholesaler or dealer;

3 (4) An excise tax equal to 7.00 cents for each cigarette  
4 sold, used, or possessed by a wholesaler or dealer  
5 after June 30, 2004, whether or not sold at wholesale,  
6 or if not sold then at the same rate upon the use by  
7 the wholesaler or dealer;

8 (5) An excise tax equal to 8.00 cents for each cigarette  
9 sold, used, or possessed by a wholesaler or dealer on  
10 and after September 30, 2006, whether or not sold at  
11 wholesale, or if not sold then at the same rate upon  
12 the use by the wholesaler or dealer;

13 (6) An excise tax equal to 9.00 cents for each cigarette  
14 sold, used, or possessed by a wholesaler or dealer on  
15 and after September 30, 2007, whether or not sold at  
16 wholesale, or if not sold then at the same rate upon  
17 the use by the wholesaler or dealer;

18 (7) An excise tax equal to 10.00 cents for each cigarette  
19 sold, used, or possessed by a wholesaler or dealer on  
20 and after September 30, 2008, whether or not sold at  
21 wholesale, or if not sold then at the same rate upon  
22 the use by the wholesaler or dealer;

- 1           (8) An excise tax equal to 13.00 cents for each cigarette  
2           sold, used, or possessed by a wholesaler or dealer on  
3           and after July 1, 2009, whether or not sold at  
4           wholesale, or if not sold then at the same rate upon  
5           the use by the wholesaler or dealer;
- 6           (9) An excise tax equal to 11.00 cents for each little  
7           cigar sold, used, or possessed by a wholesaler or  
8           dealer on and after October 1, 2009, whether or not  
9           sold at wholesale, or if not sold then at the same  
10          rate upon the use by the wholesaler or dealer;
- 11          (10) An excise tax equal to 15.00 cents for each cigarette  
12          or little cigar sold, used, or possessed by a  
13          wholesaler or dealer on and after July 1, 2010,  
14          whether or not sold at wholesale, or if not sold then  
15          at the same rate upon the use by the wholesaler or  
16          dealer;
- 17          (11) An excise tax equal to 16.00 cents for each cigarette  
18          or little cigar sold, used, or possessed by a  
19          wholesaler or dealer on and after July 1, 2011,  
20          whether or not sold at wholesale, or if not sold then  
21          at the same rate upon the use by the wholesaler or  
22          dealer;



1           (12) An excise tax equal to [~~seventy per cent of the~~  
2           ~~wholesale price of~~] \$3.20 for each article or item of  
3           tobacco products, other than large cigars, sold by the  
4           wholesaler or dealer on and after [~~September 30,~~  
5           ~~2009,~~] July 1, 2011 whether or not sold at wholesale,  
6           or if not sold then at the same rate upon the use by  
7           the wholesaler or dealer; and

8           (13) An excise tax equal to fifty per cent of the wholesale  
9           price of each large cigar of any length, sold, used,  
10          or possessed by a wholesaler or dealer on and after  
11          September 30, 2009, whether or not sold at wholesale,  
12          or if not sold then at the same rate upon the use by  
13          the wholesaler or dealer.

14          Where the tax imposed has been paid on cigarettes, little  
15          cigars, or tobacco products that thereafter become the subject  
16          of a casualty loss deduction allowable under chapter 235, the  
17          tax paid shall be refunded or credited to the account of the  
18          wholesaler or dealer. The tax shall be applied to cigarettes  
19          through the use of stamps."

20                 SECTION 2. Statutory material to be repealed is bracketed  
21          and stricken. New statutory material is underscored.

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1 SECTION 3. This Act shall take effect on July 1, 2011.

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INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Bryan", is written over a horizontal line.

JAN 21 2011



**Report Title:**

Tobacco Products; Tax

**Description:**

Imposes an excise tax on tobacco products other than cigarettes, little cigars, and large cigars that is equivalent to the tax imposed on a standard package of twenty cigarettes or little cigars.

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

