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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 each article or item of tobacco  
3 products, other than large cigars, sold by the  
4 wholesaler or dealer on and after September 30, 2009,  
5 whether or not sold at wholesale, or if not sold then  
6 at the same rate upon the use by the wholesaler or  
7 dealer; [~~and~~]

8 (13) An excise tax equal to the greater of seventy per cent  
9 of the wholesale price of, or \$3.20 for, each article  
10 or item of tobacco products, other than large cigars,  
11 sold by the wholesaler or dealer on and after July 1,  
12 2011, whether or not sold at wholesale, or if not sold  
13 then at the same rate upon the use by the wholesaler  
14 or dealer; and

15 [~~(13)~~] (14) An excise tax equal to fifty per cent of the  
16 wholesale price of each large cigar of any length,  
17 sold, used, or possessed by a wholesaler or dealer on  
18 and after September 30, 2009, whether or not sold at  
19 wholesale, or if not sold then at the same rate upon  
20 the use by the wholesaler or dealer.

21 Where the tax imposed has been paid on cigarettes, little  
22 cigars, or tobacco products that thereafter become the subject



1 of a casualty loss deduction allowable under chapter 235, the  
2 tax paid shall be refunded or credited to the account of the  
3 wholesaler or dealer. The tax shall be applied to cigarettes  
4 through the use of stamps."

5 SECTION 2. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 3. This Act shall take effect on July 1, 2030.



**Report Title:**

Tobacco Products; Tax

**Description:**

Imposes an excise tax on tobacco products, other than large cigars, that is equal to the greater of 70 percent of the wholesale price of, or \$3.20 for, each article or item of tobacco products. Effective date July 1, 2030. (HB273 HD1)

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

