
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 245-1, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By adding a new definition to be appropriately inserted
4 and to read:

5 "Pipe tobacco" means any tobacco that, because of its
6 appearance, type, packaging, or labeling, is suitable for use
7 and likely to be offered to, or purchased by, consumers as
8 tobacco to be smoked in a pipe."

9 2. By amending the definition of "tobacco products" to
10 read:

11 "Tobacco products" means tobacco in any form, other than
12 cigarettes [or], little cigars, or pipe tobacco, that is
13 prepared or intended for consumption or for personal use by
14 humans, including large cigars and any substitutes thereof other
15 than cigarettes that bear the semblance thereof, snuff, chewing
16 or smokeless tobacco, and smoking [or pipe] tobacco."

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



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

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

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

14 (3) An excise tax equal to 6.50 cents for each cigarette
15 sold, used, or possessed by a wholesaler or dealer
16 after June 30, 2003, whether or not sold at wholesale,
17 or if not sold then at the same rate upon the use by
18 the wholesaler or dealer;

19 (4) An excise tax equal to 7.00 cents for each cigarette
20 sold, used, or possessed by a wholesaler or dealer
21 after June 30, 2004, 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 (5) An excise tax equal to 8.00 cents for each cigarette
4 sold, used, or possessed by a wholesaler or dealer on
5 and after September 30, 2006, whether or not sold at
6 wholesale, or if not sold then at the same rate upon
7 the use by the wholesaler or dealer;

8 (6) An excise tax equal to 9.00 cents for each cigarette
9 sold, used, or possessed by a wholesaler or dealer on
10 and after September 30, 2007, 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 (7) An excise tax equal to 10.00 cents for each cigarette
14 sold, used, or possessed by a wholesaler or dealer on
15 and after September 30, 2008, 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 (8) An excise tax equal to 13.00 cents for each cigarette
19 sold, used, or possessed by a wholesaler or dealer on
20 and after July 1, 2009, 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 (9) An excise tax equal to 11.00 cents for each little
2 cigar sold, used, or possessed by a wholesaler or
3 dealer on and after October 1, 2009, whether or not
4 sold at wholesale, or if not sold then at the same
5 rate upon the use by the wholesaler or dealer;
- 6 (10) An excise tax equal to 15.00 cents for each cigarette
7 or little cigar sold, used, or possessed by a
8 wholesaler or dealer on and after July 1, 2010,
9 whether or not sold at wholesale, or if not sold then
10 at the same rate upon the use by the wholesaler or
11 dealer;
- 12 (11) An excise tax equal to 16.00 cents for each cigarette
13 or little cigar sold, used, or possessed by a
14 wholesaler or dealer on and after July 1, 2011,
15 whether or not sold at wholesale, or if not sold then
16 at the same rate upon the use by the wholesaler or
17 dealer;
- 18 (12) An excise tax equal to seventy per cent of the
19 wholesale price of each article or item of tobacco
20 products, other than large cigars, sold by the
21 wholesaler or dealer on and after September 30, 2009,
22 whether or not sold at wholesale, or if not sold then



1 at the same rate upon the use by the wholesaler or
2 dealer; [and]

3 (13) An excise tax equal to fifty per cent of the wholesale
4 price of each large cigar of any length, sold, used,
5 or possessed by a wholesaler or dealer on and after
6 September 30, 2009, whether or not sold at wholesale,
7 or if not sold then at the same rate upon the use by
8 the wholesaler or dealer[-];

9 (14) An excise tax equal to the greater of:

10 (A) \$2 for each ounce; or

11 (B) Seventy per cent of the wholesale price;

12 of pipe tobacco sold by the wholesaler or dealer after
13 June 30, 2012, whether or not sold at wholesale, or if
14 not sold then at the same rate upon the use by the
15 wholesaler or dealer; and

16 (15) An excise tax equal to \$2 for each ounce of pipe
17 tobacco sold after June 30, 2012, by a retailer that
18 purchases pipe tobacco directly from a manufacturer or
19 from outside the State.

20 Where the tax imposed has been paid on cigarettes, little
21 cigars, or tobacco products that thereafter become the subject
22 of a casualty loss deduction allowable under chapter 235, the



1 tax paid shall be refunded or credited to the account of the
2 wholesaler or dealer. The tax shall be applied to cigarettes
3 through the use of stamps."

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act, upon its approval, shall apply to
7 taxable years beginning after December 31, 2011.

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INTRODUCED BY:

[Handwritten signatures: Pam Chen, J. L. [unclear], Ray [unclear], Wang B. Lee, John M. [unclear]]

JAN 19 2012



H.B. NO. 2120

Report Title:

Taxation; Pipe Tobacco

Description:

Establishes specific tax rates for the sale of pipe tobacco.

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

