
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 243-3.5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§243-3.5 Environmental response, energy, and food
4 security tax; uses. (a) In addition to any other taxes
5 provided by law, subject to the exemptions set forth in section
6 243-7, there is hereby imposed a state environmental response,
7 energy, and food security tax on each barrel or fractional part
8 of a barrel of petroleum product [~~sold by a distributor to any~~
9 ~~retail dealer or end user of petroleum product, other than a~~
10 ~~refiner.~~] received at a marine terminal from within or outside
11 the State. The tax shall be \$1.05 on each barrel or fractional
12 part of a barrel of petroleum product that is not aviation fuel;
13 provided that of the tax collected pursuant to this subsection:
14 (1) 5 cents of the tax on each barrel shall be deposited
15 into the environmental response revolving fund
16 established under section 128D-2;



1 (2) 15 cents of the tax on each barrel shall be deposited
2 into the energy security special fund established
3 under section 201-12.8;

4 (3) 10 cents of the tax on each barrel shall be deposited
5 into the energy systems development special fund
6 established under section 304A-2169; and

7 (4) 15 cents of the tax on each barrel shall be deposited
8 into the agricultural development and food security
9 special fund established under section 141-10.

10 The tax imposed by this subsection shall be [~~paid by the~~
11 ~~distributor of the petroleum product.~~] collected by the marine
12 terminal operator from the owner of the petroleum product, based
13 upon each barrel of petroleum product received by means of a
14 vessel operating in, through, or across waters of the State.

15 (b) Each [~~distributor~~] marine terminal operator subject to
16 the [~~tax~~] requirements imposed by subsection (a), on or before
17 the last day of each calendar month, shall file with the
18 director, on forms prescribed, prepared, and furnished by the
19 director, a return statement of the tax under this section for
20 which the [~~distributor~~] marine terminal operator is liable for
21 the preceding month. The form and payment of the tax shall be

1 transmitted to the department of taxation in the appropriate
2 district.

3 (c) Notwithstanding section 248-8 to the contrary, the
4 environmental response, energy, and food security tax collected
5 under this section shall be paid over to the director of finance
6 for deposit as provided in subsection (a).

7 (d) Every [~~distributor~~] marine terminal operator shall
8 keep in the State and preserve for five years a record in such
9 form as the department of taxation shall prescribe showing the
10 total number of barrels and the fractional part of barrels of
11 petroleum product [~~sold by the distributor~~] upon which the tax
12 is collected during any calendar month. The record shall show
13 such other data and figures relevant to the enforcement and
14 administration of this chapter as the department may require.

15 (e) As used in this section:

16 "Marine terminal" means any facility used for transferring
17 oil or petroleum products to or from a tank ship or tank barge.

18 "Operator" means any person who owns, has an ownership
19 interest in, or operates a marine terminal. The term does not
20 include the owner of land underlying a marine terminal or the
21 owner of the marine terminal itself if that person is not
22 involved in the operation of the marine terminal."



1 SECTION 2. Act 73, Session Laws of Hawaii 2010, is amended
2 as follows:

3 1. By repealing section 10:

4 [~~"SECTION 10. Any unexpended or unencumbered funds~~
5 ~~remaining in the agricultural development and food security~~
6 ~~special fund established by this Act, as of the close of~~
7 ~~business on June 30, 2015, shall lapse to the credit of the~~
8 ~~general fund."~~]

9 2. By amending section 14 to read:

10 "SECTION 14. This Act shall take effect on July 1, 2010[~~+~~
11 ~~provided that sections 2, 3, 4, and 7 of this Act shall be~~
12 ~~repealed on June 30, 2015, and sections 128D-2, 201-12.8, and~~
13 ~~243-3.5, Hawaii Revised Statutes, shall be reenacted in the form~~
14 ~~in which they read on June 30, 2010]."~~

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

[Handwritten signatures and names: K. K. ...]



Report Title:

Taxation; Environmental Response, Energy, and Food Security Tax

Description:

Requires a marine terminal operator, rather than a distributor, to collect the tax from the owner of petroleum products at the time those products are received at the terminal. Repeals the sunset date of Act 73, SLH 2010.

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