
A BILL FOR AN ACT

RELATING TO FOSSIL FUELS.

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

1 SECTION 1. The legislature finds that imported natural gas
2 and coal are fossil fuels with environmental and economic
3 impacts equivalent to that of imported petroleum products.
4 Under current law, increased importation of liquid natural gas
5 or coal would decrease the revenue derived from the
6 environmental response, energy, and food security tax on
7 petroleum products while still causing similar effects on
8 Hawaii's economy and environment. The purpose of this Act is to
9 levy the environmental response, energy, and food security tax
10 on all liquid, gaseous, and solid fossil fuels.

11 SECTION 2. Section 243-3.5, Hawaii Revised Statutes, is
12 amended as follows:

13 1. By amending subsection (a) to read:

14 "(a) In addition to any other taxes provided by law,
15 subject to the exemptions set forth in section 243-7, there is
16 hereby imposed a state environmental response, energy, and food
17 security tax on ~~[each barrel or fractional part of a barrel of~~
18 ~~petroleum product]~~ each barrel equivalent of liquid, gaseous, or



1 solid fossil fuels having an energy content of 5,800,000 British
2 Thermal Units sold by a distributor to any retail dealer or end
3 user of [~~petroleum product,~~] fossil fuels, other than a refiner.
4 The tax shall be \$1.05 on each barrel equivalent of liquid,
5 gaseous, or solid fossil fuels having an energy content of
6 5,800,000 British Thermal Units or fractional part of a barrel
7 equivalent of [~~petroleum product~~] liquid, gaseous, or solid
8 fossil fuels that is not aviation fuel; provided that of the tax
9 collected pursuant to this subsection:

- 10 (1) 5 cents of the tax on each barrel equivalent shall be
11 deposited into the environmental response revolving
12 fund established under section 128D-2;
- 13 (2) 15 cents of the tax on each barrel equivalent shall be
14 deposited into the energy security special fund
15 established under section 201-12.8;
- 16 (3) 10 cents of the tax on each barrel equivalent shall be
17 deposited into the energy systems development special
18 fund established under section 304A-2169; and
- 19 (4) 15 cents of the tax on each barrel equivalent shall be
20 deposited into the agricultural development and food
21 security special fund established under section 141-
22 10.



1 The tax imposed by this subsection shall be paid by the
2 distributor of the [~~petroleum product~~] fossil fuel."

3 2. By amending subsection (d) to read:

4 "(d) Every distributor shall keep in the State and
5 preserve for five years a record in such form as the department
6 of taxation shall prescribe showing the total [~~number of barrels~~
7 ~~and the fractional part of barrels of petroleum product~~] amount,
8 in British Thermal Units, of liquid, gaseous, or solid fossil
9 fuels by type of liquid, gaseous, or solid fossil fuels sold by
10 the distributor during any calendar month. The record shall
11 show such other data and figures relevant to the enforcement and
12 administration of this chapter as the department may require."

13 SECTION 3. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 4. This Act shall take effect on January 1, 2100,
16 and shall be repealed on June 30, 2015; provided that section
17 243-3.5, Hawaii Revised Statutes, shall be reenacted in the form
18 in which it read on June 30, 2010.



Report Title:

Environmental Response, Energy, and Food Security Tax; Liquid, Gaseous, and Solid Fossil Fuels

Description:

Amends section 243-3.5, HRS, to levy the environmental response, energy, and food security tax on liquid, gaseous, or solid fossil fuels. Effective January 1, 2100. Repeals June 30, 2015. (HB451 HD1)

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