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# A BILL FOR AN ACT

RELATING TO LIQUOR TAX LAW.

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

1 SECTION 1. Section 244D-1, Hawaii Revised Statutes, is  
2 amended by adding two new definitions to be appropriately  
3 inserted and to read as follows:

4 "Barrel" means a barrel containing not more than thirty-  
5 one gallons or wine gallons of liquor."

6 "Small brewery or brewpub" means a brewery or brewpub that  
7 brews or produces not more than sixty thousand barrels of beer  
8 per taxable year. A brewery or brewpub that brews or produces  
9 more than sixty thousand barrels of beer per taxable year shall  
10 not qualify as a small brewery or brewpub, and beer produced by  
11 such a brewery or brewpub shall not qualify for the liquor tax  
12 rate under section 244D-4(a)(2)(G)."

13 SECTION 2. Section 244D-4, Hawaii Revised Statutes, is  
14 amended by amending subsection (a) to read as follows:

15 "(a) Every person who sells or uses any liquor in the  
16 State not taxable under this chapter, in respect of the  
17 transaction by which the person or the person's vendor acquired  
18 the liquor, shall pay a gallonage tax which is hereby imposed at



1 the following rates for the various liquor categories defined in  
2 section 244D-1:

3 (1) For the period July 1, 1997, to June 30, 1998, the tax  
4 rate shall be:

5 [~~1~~] (A) \$5.92 per wine gallon on distilled spirits;

6 [~~2~~] (B) \$2.09 per wine gallon on sparkling wine;

7 [~~3~~] (C) \$1.36 per wine gallon on still wine;

8 [~~4~~] (D) \$0.84 per wine gallon on cooler beverages;

9 [~~5~~] (E) \$0.92 per wine gallon on beer other than draft  
10 beer;

11 [~~6~~] (F) \$0.53 per wine gallon on draft beer;

12 (2) On July 1, 1998, and thereafter, the tax rate shall  
13 be:

14 [~~1~~] (A) \$5.98 per wine gallon on distilled spirits;

15 [~~2~~] (B) \$2.12 per wine gallon on sparkling wine;

16 [~~3~~] (C) \$1.38 per wine gallon on still wine;

17 [~~4~~] (D) \$0.85 per wine gallon on cooler beverages;

18 [~~5~~] (E) \$0.93 per wine gallon on beer other than draft  
19 beer;

20 [~~6~~] (F) \$0.54 per wine gallon on draft beer;



1           (G) \$0.23 per wine gallon on draft beer and beer  
2           other than draft beer brewed or produced by a  
3           small brewery or brewpub;  
4 and at a proportionate rate for any other quantity so sold or  
5 used."

6           SECTION 3. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8           SECTION 4. This Act, upon its approval, shall apply to  
9 taxable years beginning after December 31, 2013.

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**Report Title:**

Liquor Tax; Small Breweries and Brewpubs

**Description:**

Defines "barrel" and "small brewery or brewpub". Establishes a tax rate of \$0.23 per wine gallon on draft beer and beer other than draft beer that is brewed or produced by a small brewery or brewpub. (SD1)

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