

---

---

## 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 natural gas is a  
2 fossil fuel and that importation of liquid natural gas would  
3 decrease the revenue derived from the environmental response,  
4 energy, and food security tax on petroleum products. The  
5 purpose of this Act is to levy the environmental response,  
6 energy, and food security tax on all liquid and gaseous fossil  
7 fuels.

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

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

11           "(a) In addition to any other taxes provided by law,  
12 subject to the exemptions set forth in section 243-7, there is  
13 hereby imposed a state environmental response, energy, and food  
14 security tax on ~~[each barrel or fractional part of a barrel of~~  
15 ~~petroleum product]~~ each barrel equivalent of liquid or gaseous  
16 fossil fuels having an energy content of 5,800,000 British  
17 Thermal Units sold by a distributor to any retail dealer or end  
18 user of ~~[petroleum product,]~~ fossil fuels, other than a refiner.



1 The tax shall be \$1.05 on each barrel equivalent of liquid or  
2 gaseous fossil fuels having an energy content of 5,800,000  
3 British Thermal Units or fractional part of a barrel equivalent  
4 of [~~petroleum product~~] liquid or gaseous fossil fuels that is  
5 not aviation fuel; provided that of the tax collected pursuant  
6 to this subsection:

- 7 (1) 5 cents of the tax on each barrel equivalent shall be  
8 deposited into the environmental response revolving  
9 fund established under section 128D-2;
- 10 (2) 15 cents of the tax on each barrel equivalent shall be  
11 deposited into the energy security special fund  
12 established under section 201-12.8;
- 13 (3) 10 cents of the tax on each barrel equivalent shall be  
14 deposited into the energy systems development special  
15 fund established under section 304A-2169; and
- 16 (4) 15 cents of the tax on each barrel equivalent shall be  
17 deposited into the agricultural development and food  
18 security special fund established under section 141-  
19 10.

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

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



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

10           SECTION 3. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12           SECTION 4. This Act shall take effect on July 1, 2013, and  
13 shall be repealed on June 30, 2015; provided that section 243-  
14 3.5, Hawaii Revised Statutes, shall be reenacted in the form in  
15 which it read on June 30, 2010.

16

INTRODUCED BY:



JAN 18 2013



# H.B. NO. 451

**Report Title:**

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

**Description:**

Amends section 243-3.5, HRS, to levy the environmental response, energy, and food security tax on liquid or gaseous fossil fuels. Repeals 6/30/2015.

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

