
A BILL FOR AN ACT

RELATING TO LIQUOR TAX LAW.

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

1 SECTION 1. The purpose of this Act is to support the
2 growing craft beverage industry in Hawaii by applying a reduced
3 gallonage tax on draft beer and beer other than draft beer
4 brewed or produced by a small brewery or brewpub.

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

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

10 "Small brewery or brewpub" means a brewery or brewpub that
11 brews or produces not more than sixty thousand barrels of beer
12 per taxable year."

13 SECTION 3. 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 For the period July 1, 1997, to June 30, 1998, the tax rate
4 shall be:

- 5 (1) \$5.92 per wine gallon on distilled spirits;
- 6 (2) \$2.09 per wine gallon on sparkling wine;
- 7 (3) \$1.36 per wine gallon on still wine;
- 8 (4) [~~\$0.84~~] 84 cents per wine gallon on cooler beverages;
- 9 (5) [~~\$0.92~~] 92 cents per wine gallon on beer other than
10 draft beer;
- 11 (6) [~~\$0.53~~] 53 cents per wine gallon on draft beer;

12 On July 1, 1998, and thereafter, except as otherwise
13 provided in paragraph (7), the tax rate shall be:

- 14 (1) \$5.98 per wine gallon on distilled spirits;
- 15 (2) \$2.12 per wine gallon on sparkling wine;
- 16 (3) \$1.38 per wine gallon on still wine;
- 17 (4) [~~\$0.85~~] 85 cents per wine gallon on cooler beverages;
- 18 (5) [~~\$0.93~~] 93 cents per wine gallon on beer other than
19 draft beer;
- 20 (6) [~~\$0.54~~] 54 cents per wine gallon on draft beer;



1 (7) Beginning on January 1, 2015, 47 cents per wine gallon
2 on draft beer and beer other than draft beer that are
3 brewed or produced by a small brewery or brewpub;
4 and at a proportionate rate for any other quantity so sold or
5 used."

6 SECTION 4. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act shall take effect on July 1, 2050, and
9 shall apply to taxable periods beginning after December 31,
10 2014.

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Report Title:

Liquor Tax; Small Breweries or Brewpubs

Description:

Defines "barrel" and "small brewery or brewpub". Establishes a tax rate of 47 cents per wine gallon on draft beer and beer other than draft beer that are brewed or produced by a small brewery or brewpub. Effective 07/01/2050. (SD1)

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