
A BILL FOR AN ACT

RELATING TO DISPOSITION OF TAX REVENUES.

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

1 SECTION 1. The purpose of this Act is to address taxes by
2 setting maximum amounts to be distributed to various non-general
3 funds from the environmental response, energy, and food security
4 tax, which is more commonly known as the "barrel tax." The tax
5 revenues remaining after distribution shall continue to be
6 deposited into the general fund.

7 By establishing maximum amounts for distribution among the
8 non-general funds, the legislature intends that this Act:

- 9 (1) Make forecasts of general fund revenues more reliable;
10 (2) Increase legislative oversight of the agencies and
11 programs supported by the non-general funds; and
12 (3) Subject those agencies and programs to competition for
13 limited public funds if the agencies or programs want
14 more than the amount automatically distributed to
15 their non-general funds.

16 The legislature finds that this Act promotes budgetary
17 planning and transparency.



1 The legislature further finds that the distribution method
2 used for the transient accommodations tax revenues, which are
3 distributed among the convention center, Hawaii tourism
4 authority, and counties by dollar amounts, serves as the model
5 for this Act.

6 SECTION 2. Section 243-3.5, Hawaii Revised Statutes, is
7 amended by amending subsection (a) to read as follows:

8 "(a) In addition to any other taxes provided by law,
9 subject to the exemptions set forth in section 243-7, there is
10 hereby imposed a state environmental response, energy, and food
11 security tax on each barrel or fractional part of a barrel of
12 petroleum product sold by a distributor to any retail dealer or
13 end user of petroleum product, other than a refiner. The tax
14 shall be \$1.05 on each barrel or fractional part of a barrel of
15 petroleum product that is not aviation fuel; provided that of
16 the tax collected pursuant to this subsection:

17 (1) 5 cents of the tax on each barrel, but not more than
18 \$1,300,000 in a fiscal year, shall be deposited into
19 the environmental response revolving fund established
20 under section 128D-2;



1 (2) 15 cents of the tax on each barrel, but not more than
2 \$3,800,000 in a fiscal year, shall be deposited into
3 the energy security special fund established under
4 section 201-12.8;

5 (3) 10 cents of the tax on each barrel, but not more than
6 \$2,600,000 in a fiscal year, shall be deposited into
7 the energy systems development special fund
8 established under section [+]304A-2169.1[+]; and

9 (4) 15 cents of the tax on each barrel, but not more than
10 \$3,800,000 in a fiscal year, shall be deposited into
11 the agricultural development and food security special
12 fund established under section 141-10.

13 The tax imposed by this subsection shall be paid by the
14 distributor of the petroleum product."

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 on July 1, 2015;
18 provided that the amendments made to section 243-3.5(a), Hawaii
19 Revised Statutes, by section 2 of this Act shall not be repealed
20 when section 243-3.5, Hawaii Revised Statutes, is reenacted on
21 June 30, 2030, pursuant to section 14 of Act 73, Session Laws of

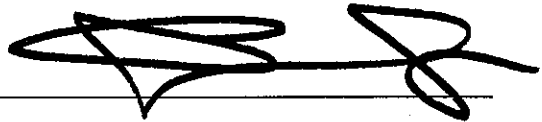


H.B. NO. 1470

1 Hawaii 2010, as amended by section 3(2) of Act 107, Session Laws
2 of Hawaii 2014.

3

INTRODUCED BY: _____

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a horizontal line.

JAN 29 2015



H.B. NO. 1470

Report Title:

Environmental Response, Energy, and Food Security Tax;
Distribution Maximums

Description:

Establishes maximum dollar amounts that shall be distributed among certain non-general funds from the environmental response, energy, and food security tax. Retains provision that the general fund receive the remainder after distribution.

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

