
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 243-1, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 "Power-generating facility" means any electricity-
5 generating facility that requires a permit issued under the
6 federal Clean Air Act (42 U.S.C. 7401 through 7671q), the Hawaii
7 air pollution control law (chapter 342B), or both."

8 SECTION 2. Section 243-4, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) Every distributor [~~shall~~], in addition to any other
11 taxes provided by law, shall pay a license tax to the department
12 of taxation for each gallon of liquid fuel refined,
13 manufactured, produced, or compounded by the distributor and
14 sold or used by the distributor in the State or imported by the
15 distributor, or acquired by the distributor from persons who are
16 not licensed distributors, and sold or used by the distributor
17 in the State. Any person who sells or uses any liquid fuel



1 knowing that the distributor from whom it was originally
2 purchased has not paid and is not paying the tax thereon shall
3 pay [~~such~~] the license tax as would have applied to [~~such~~] the
4 sale or use by the distributor. The rates of tax [~~hereby~~]
5 imposed are as follows:

6 (1) For each gallon of diesel oil, 1 cent;

7 (2) For each gallon of gasoline or other aviation fuel
8 sold for use in or used for airplanes, 1 cent;

9 (3) For each gallon of naphtha sold for use in a power-
10 generating facility, 2 cents;

11 [~~(3)~~] (4) For each gallon of liquid fuel other than fuel
12 mentioned in paragraphs (1) [~~and~~], (2), and (3), and
13 other than an alternative fuel, sold or used in the
14 city and county of Honolulu, or sold in any county for
15 ultimate use in the city and county of Honolulu, 16
16 cents state tax, and in addition thereto [~~such~~] an
17 amount, to be known as the "city and county of
18 Honolulu fuel tax", as shall be levied pursuant to
19 section 243-5;

20 [~~(4)~~] (5) For each gallon of liquid fuel other than fuel
21 mentioned in paragraphs (1) [~~and~~], (2), and (3), and



1 other than an alternative fuel, sold or used in the
2 county of Hawaii, or sold in any county for ultimate
3 use in the county of Hawaii, 16 cents state tax, and
4 in addition thereto [~~sueh~~] an amount, to be known as
5 the "county of Hawaii fuel tax", as shall be levied
6 pursuant to section 243-5;

7 [~~+5~~] (6) For each gallon of liquid fuel, other than fuel
8 mentioned in paragraphs (1) [~~and~~], (2), and (3), and
9 other than an alternative fuel, sold or used in the
10 county of Maui, or sold in any county for ultimate use
11 in the county of Maui, 16 cents state tax, and in
12 addition thereto [~~sueh~~] an amount, to be known as the
13 "county of Maui fuel tax", as shall be levied pursuant
14 to section 243-5; and

15 [~~+6~~] (7) For each gallon of liquid fuel, other than fuel
16 mentioned in paragraphs (1) [~~and~~], (2), and (3), and
17 other than an alternative fuel, sold or used in the
18 county of Kauai, or sold in any county for ultimate
19 use in the county of Kauai, 16 cents state tax, and in
20 addition thereto [~~sueh~~] an amount, to be known as the



1 "county of Kauai fuel tax", as shall be levied
2 pursuant to section 243-5.

3 If it is shown to the satisfaction of the department, based
4 upon proper records and from [~~such~~] any other evidence as the
5 department may require, that liquid fuel other than fuel
6 mentioned in paragraphs (1) [~~and~~], (2), and (3), is used for
7 agricultural equipment that does not operate upon the public
8 highways of the State, the user thereof may obtain a refund of
9 all taxes thereon imposed by this section in excess of 1 cent
10 per gallon. The department shall adopt rules to administer such
11 refunds."

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

14 SECTION 4. This Act, upon its approval, shall take effect
15 retroactive to January 1, 2016, and shall be repealed on January
16 1, 2020; provided that section 243-4(a), Hawaii Revised
17 Statutes, shall be reenacted in the form in which it read on
18 December 31, 2015.



Report Title:

Electric Power Generation; Fuel Tax Rate

Description:

Restores the definition of "power-generating facility" and fuel tax rate for naphtha fuel used in power generation facilities, which were repealed on 12/31/2015. Clarifies that naphtha fuel, used in a power-generating facility, is subject to the fuel tax at a rate of 2 cents per gallon. (HB2728 HD1)

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

