

JAN 29 2015

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 237-13.3, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§237-13.3 Application of sections 237-4(a)(8), 237-
4 4(a)(10), 237-4(a)(13), 237-13(2)(A), 237-13(4)(A), and 237-
5 13(6)(A). (a) Sections 237-4(a)(8), 237-4(a)(10), 237-
6 4(a)(13), 237-13(2)(A), 237-13(4)(A), and 237-13(6)(A) to the
7 contrary notwithstanding, instead of the tax levied under
8 section 237-13(2)(A) on wholesale sales subject to section 237-
9 4(a)(8)(B), under section 237-13(4)(A) on a wholesaler subject
10 to section 237-4(a)(13), and under section 237-13(6)(A) on a
11 wholesaler subject to section 237-4(a)(10) [~~at one-half of one~~
12 ~~per cent, during the period January 1, 2000, to December 31,~~
13 2005], the tax shall be as follows:

- 14 (1) In calendar year 2000, 3.5 per cent;
15 (2) In calendar year 2001, 3.0 per cent;
16 (3) In calendar year 2002, 2.5 per cent;
17 (4) In calendar year 2003, 2.0 per cent;



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- 1 (5) In calendar year 2004, 1.5 per cent;
- 2 (6) In calendar year 2005, 1.0 per cent; [and]
- 3 (7) In calendar year 2006 [~~and thereafter, the tax shall~~
- 4 ~~be] through December 31, 2015, 0.5 per cent[-];~~
- 5 (8) In calendar years 2016 and 2017, 1.0 per cent; and
- 6 (9) In calendar year 2018 and thereafter, 0.5 per cent.

7 (b) The difference between the tax revenue collected in
8 calendar year 2016 pursuant to subsection (a) (8) and the tax
9 revenue collected in calendar year 2015 pursuant to subsection
10 (a) (7) shall be distributed as follows:

- 11 (1) 50 per cent shall be equally disbursed to each of the
12 counties of Hawaii, Honolulu, Kauai, and Maui for
13 infrastructure development; and
- 14 (2) 50 per cent shall be disbursed to the department of
15 education for public school education expenses,
16 excluding personnel salaries.

17 (c) The difference between the tax revenue collected in
18 calendar year 2017 pursuant to subsection (a) (8) and the tax
19 revenue collected in calendar year 2015 pursuant to subsection
20 (a) (7) shall be distributed as in subsection (b) (1) and (2).



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1 ~~[(b)]~~ (d) The department shall have the authority to
2 implement the tax rate changes in subsection (a) by prescribing
3 tax forms and instructions that require tax reporting and
4 payment by deduction, allocation, or any other method to
5 determine tax liability with due regard to the tax rate
6 changes."

7 SECTION 2. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 3. This Act, upon its approval, shall apply to
10 taxable years beginning after December 31, 2015.

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INTRODUCED BY: Erzanne Chun Oakland
Michelle Keani



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Report Title:

Excise Tax; Wholesale Sales; Disbursement; Counties; Department of Education

Description:

Increases the excise tax levied on wholesale sales from 0.5 per cent to 1.0 per cent for calendar years 2016 and 2017. Requires that in calendar years 2016 and 2017, 50 per cent of the tax revenue increase from 2015 to 2016 and 2015 to 2017 be equally disbursed to each of the four counties for infrastructure development and 50 percent be disbursed to the department of education for public school expenses, not including personnel salaries.

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