
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

PART I

LIQUID FUEL TAX

SECTION 1. Section 243-4, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Every distributor shall, in addition to any other taxes provided by law, pay a license tax to the department of taxation for each gallon of liquid fuel refined, manufactured, produced, or compounded by the distributor and sold or used by the distributor in the State or imported by the distributor, or acquired by the distributor from persons who are not licensed distributors, and sold or used by the distributor in the State. Any person who sells or uses any liquid fuel knowing that the distributor from whom it was originally purchased has not paid and is not paying the tax thereon shall pay such tax as would have applied to such sale or use by the distributor. The rates of tax hereby imposed are as follows:

(1) For each gallon of diesel oil, [~~1-cent,~~] _____ cents;



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



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

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

15 If it is shown to the satisfaction of the department, based
16 upon proper records and from [~~such~~] other evidence as the
17 department may require, that liquid fuel other than fuel
18 mentioned in paragraphs (1) and (2), is used for agricultural
19 equipment that does not operate upon the public highways of the
20 State, the user thereof may obtain a refund of all taxes thereon



1 imposed by this section in excess of 1 cent per gallon. The
2 department shall adopt rules to administer such refunds."

3 PART II

4 MOTOR VEHICLE REGISTRATION

5 SECTION 2. Section 249-31, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "§249-31 State registration fee. (a) All vehicles and
8 motor vehicles in the State as defined in section 249-1,
9 including antique motor vehicles, except as otherwise provided
10 in sections 249-4, 249-6, and 249-31.5, shall be subject to a
11 [~~45~~] \$_____ annual vehicle registration fee. The fee shall be
12 paid each year together with all other taxes and fees levied by
13 this chapter on a staggered basis as established by each county
14 as authorized by section 286-51, and the state registration for
15 that county shall likewise be staggered so that the state
16 registration fee is due and payable at the same time and shall
17 be collected together with the county fee. The state
18 registration fee shall be deemed delinquent if not paid with the
19 county registration fee. The respective counties shall collect
20 this fee together with the vehicle registration tax collected



1 for the county and shall transfer the moneys collected under
2 this section to the State.

3 (b) From each annual motor vehicle registration fee, the
4 director shall deposit [~~\$40~~] \$ _____ into the state highway fund
5 and \$5 into the emergency medical services special fund."

6 **PART III**

7 **MOTOR VEHICLE WEIGHT TAX**

8 SECTION 3. Section 249-33, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) All vehicles and motor vehicles in the State as
11 defined in section 249-1, including antique motor vehicles,
12 except as otherwise provided in sections 249-4, 249-5.5, 249-6,
13 and 249-6.5, in addition to all other fees and taxes levied by
14 this chapter, shall be subject to an annual state vehicle weight
15 tax. The tax shall be levied by the county director of finance
16 at the rate of [~~1.75~~] _____ cents a pound according to the net
17 weight of each vehicle as the "net weight" is defined in section
18 249-1 up to and including four thousand pounds net weight;
19 vehicles over four thousand pounds and up to and including seven
20 thousand pounds net weight shall be taxed at the rate of [~~2.00~~]
21 _____ cents a pound; vehicles over seven thousand pounds and up



1 to and including ten thousand pounds net weight shall be taxed
2 at the rate of [~~2.25~~] _____ cents a pound; vehicles over ten
3 thousand pounds net weight shall be taxed at a flat rate of
4 [~~\$300.~~] \$ _____."

5 **PART IV**

6 SECTION 4. There is appropriated out of the state highway
7 fund the sum of \$ _____ or so much thereof as may be
8 necessary for fiscal year 2016-2017 for the operations and
9 maintenance of the state highways program.

10 The sum appropriated shall be expended by the department of
11 transportation for the purposes of this Act.

12 **PART V**

13 SECTION 5. This Act does not affect rights and duties that
14 matured, penalties that were incurred, and proceedings that were
15 begun, before its effective date.

16 SECTION 6. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 7. This Act shall take effect on July 1, 2016.

19



Report Title:

Transportation; Liquid Fuel Tax; Motor Vehicle; Registration;
Weight Tax; State Highway Fund; Operations; Maintenance

Description:

Increases the state fuel tax to generate additional revenues for the state highway fund by amending section 243-4, Hawaii Revised Statutes. Allows for an increase in the state motor vehicle registration fee and increases the amount of the fee to be deposited into the state highway fund by amending section 249-31, Hawaii Revised Statutes. Increases the state motor vehicle weight tax by amending section 249-33, Hawaii Revised Statutes.
(SD1)

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