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# A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1                                   PART I

2                                   LIQUID FUEL TAX

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

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

17           (1) For each gallon of diesel oil, [~~1 cent,~~] 2 cents;



- 1           (2) For each gallon of gasoline or other aviation fuel  
2                   sold for use in or used for airplanes, [~~1-cent,~~] 2  
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~~] 19 cents state  
9                   tax, and in addition thereto such amount, to be known  
10                  as the "city and county of Honolulu fuel tax", as  
11                  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~~] 19 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~~] 19 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~~] 19 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~~] \$76.50 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~~] \$71.50 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~~] 2.75 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 3.00 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~~] 3.25 cents a pound; vehicles over ten  
3 thousand pounds net weight shall be taxed at a flat rate of  
4 [~~\$300-~~] \$400."

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.



**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. (SD2)

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

