
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

PART I

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 imposed are as follows:

(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 naphtha sold for use in a power-
5 generating facility, 2 cents;
- 6 (4) For each gallon of liquid fuel, other than fuel
7 mentioned in paragraphs (1), (2), and (3), and other
8 than an alternative fuel, sold or used in the city and
9 county of Honolulu, or sold in any county for ultimate
10 use in the city and county of Honolulu, [~~16~~] 26 cents
11 state tax, and in addition thereto an amount, to be
12 known as the "city and county of Honolulu fuel tax",
13 as shall be levied pursuant to section 243-5;
- 14 (5) For each gallon of liquid fuel, other than fuel
15 mentioned in paragraphs (1), (2), and (3), and other
16 than an alternative fuel, sold or used in the county
17 of Hawaii, or sold in any county for ultimate use in
18 the county of Hawaii, [~~16~~] 26 cents state tax, and in
19 addition thereto an amount, to be known as the "county
20 of Hawaii fuel tax", as shall be levied pursuant to
21 section 243-5;



1 (6) For each gallon of liquid fuel, other than fuel
2 mentioned in paragraphs (1), (2), and (3), and other
3 than an alternative fuel, sold or used in the county
4 of Maui, or sold in any county for ultimate use in the
5 county of Maui, [~~16~~] 26 cents state tax, and in
6 addition thereto an amount, to be known as the "county
7 of Maui fuel tax", as shall be levied pursuant to
8 section 243-5; and

9 (7) For each gallon of liquid fuel, other than fuel
10 mentioned in paragraphs (1), (2), and (3), and other
11 than an alternative fuel, sold or used in the county
12 of Kauai, or sold in any county for ultimate use in
13 the county of Kauai, [~~16~~] 26 cents state tax, and in
14 addition thereto an amount, to be known as the "county
15 of Kauai fuel tax", as shall be levied pursuant to
16 section 243-5.

17 If it is shown to the satisfaction of the department, based
18 upon proper records and from any other evidence as the
19 department may require, that liquid fuel other than fuel
20 mentioned in paragraphs (1), (2), and (3), is used for
21 agricultural equipment that does not operate upon the public



1 highways of the State, the user thereof may obtain a refund of
2 all taxes thereon imposed by this section in excess of 1 cent
3 per gallon. The department shall adopt rules to administer such
4 refunds."

5 **PART II**

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

8 "**§249-31 State registration fee.** (a) All vehicles and
9 motor vehicles in the State as defined in section 249-1,
10 including antique motor vehicles, except as otherwise provided
11 in sections 249-4, 249-6, and 249-31.5, shall be subject to a
12 [~~\$45~~] \$50 annual vehicle registration fee. The fee shall be
13 paid each year together with all other taxes and fees levied by
14 this chapter on a staggered basis as established by each county
15 as authorized by section 286-51, and the state registration for
16 that county shall likewise be staggered so that the state
17 registration fee is due and payable at the same time and shall
18 be collected together with the county fee. The state
19 registration fee shall be deemed delinquent if not paid with the
20 county registration fee. The respective counties shall collect
21 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~~] \$45 into the state highway fund and
5 \$5 into the emergency medical services special fund."

6 **PART III**

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

9 "(a) All vehicles and motor vehicles in the State as
10 defined in section 249-1, including antique motor vehicles,
11 except as otherwise provided in sections 249-4, 249-5.5, 249-6,
12 and 249-6.5, in addition to all other fees and taxes levied by
13 this chapter, shall be subject to an annual state vehicle weight
14 tax. The tax shall be levied by the county director of finance
15 at the rate of [~~1.75~~] 2.00 cents a pound according to the net
16 weight of each vehicle as the "net weight" is defined in section
17 249-1 up to and including four thousand pounds net weight;
18 vehicles over four thousand pounds and up to and including seven
19 thousand pounds net weight shall be taxed at the rate of [~~2.00~~]
20 2.25 cents a pound; vehicles over seven thousand pounds and up
21 to and including ten thousand pounds net weight shall be taxed



1 at the rate of [~~2.25~~] \$2.50 cents a pound; vehicles over ten
2 thousand pounds net weight shall be taxed at a flat rate of
3 [~~\$300.~~] \$325."

4 **PART IV**

5 SECTION 4. There is appropriated out of the state highway
6 fund the sum of \$ or so much thereof as may be
7 necessary for fiscal year 2017-2018 for the operations and
8 maintenance of the state highways program.

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

11 **PART V**

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

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

17 SECTION 7. This Act shall take effect on July 1, 2017.
18



Report Title:

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

Description:

Increases the state fuel taxes on diesel oil, gasoline, and other aviation fuel. Increases state fuel taxes on liquid fuel and alternative fuels sold in the city and county of Honolulu, county of Hawaii, county of Maui, and county of Kauai. Increases annual motor vehicle registration fees. Increases the amount of deposit into the state highway fund from annual motor vehicle registration fees. Increases annual state vehicle weight tax levied by the counties. (SD1)

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