

JAN 24 2019

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# A BILL FOR AN ACT

RELATING TO DEPARTMENT OF TAXATION FEES.

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

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

3           "(d) Permits to retail dealers shall be issued on an  
4 annual basis and shall expire at the end of each calendar year.  
5 ~~[A fee of \$5 shall be charged]~~ The department may adopt by rule  
6 pursuant to chapter 91 a reasonable fee to be charged for each  
7 permit or renewal thereof. Permits shall be numbered and each  
8 certificate made by a retail dealer holding a permit shall bear  
9 the same identifying number as the permit which the retail  
10 dealer holds."

11           SECTION 2. Section 244D-2, Hawaii Revised Statutes, is  
12 amended by amending subsections (b) and (c) to read as follows:

13           "(b) The liquor commission shall certify to the department  
14 of taxation from time to time and within forty-eight hours after  
15 such license is issued the name of every dealer, together with  
16 the dealer's place of business and the period covered by the  
17 dealer's license. The department thereupon shall issue its  
18 permit to such person for the period covered by the person's

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1 license [~~upon the payment of a permit fee of \$2.50.~~] and may  
2 adopt by rule pursuant to chapter 91 a reasonable fee to be  
3 charged to issue the permit. The permit shall be issued by the  
4 department as of the date when the liquor commission issued the  
5 license.

6 (c) Any permit issued under this chapter shall not be  
7 assignable; it shall be conspicuously displayed on the licensed  
8 premises of the permittee; it shall expire on June 30 next  
9 succeeding the date upon which it is issued, unless sooner  
10 suspended, surrendered, or revoked for cause by the department;  
11 and it shall be renewed annually before July 1, upon fulfillment  
12 of all requirements as in the case of an original permit and the  
13 payment of [~~a renewal fee of \$2.50.~~] any reasonable fee adopted  
14 by rule pursuant to chapter 91 to be charged to issue the  
15 permit. Whenever a permit is defaced, destroyed, or lost, or  
16 the licensed premises are relocated, the department may issue a  
17 duplicate permit to the permittee [~~upon the payment of a fee of~~  
18 ~~50 cents.~~], but may adopt by rule pursuant to chapter 91 a  
19 reasonable fee to be charged for the duplicate and not to exceed  
20 the fee required under subsection (b)."

21 SECTION 3. Section 245-2, Hawaii Revised Statutes, is  
22 amended by amending subsection (b) to read as follows:

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1           "(b) The license shall be issued by the department upon  
2 application therefor, in such form and manner as shall be  
3 required by rule of the department, [~~and the payment of a fee of~~  
4 ~~\$2.50,~~] and shall be renewable annually on July 1 for  
5 the twelve months ending the succeeding June 30. The department  
6 may adopt by rule pursuant to chapter 91 a reasonable fee to be  
7 charged for the permit."

8           SECTION 4. Section 245-2.5, Hawaii Revised Statutes, is  
9 amended by amending subsection (c) to read as follows:

10           "(c) The retail tobacco permit shall be issued by the  
11 department upon application by the retailer in the form and  
12 manner prescribed by the department, and the [~~payment of a fee~~  
13 ~~of \$20.~~] department may adopt by rule pursuant to chapter 91 a  
14 reasonable fee to be charged for the permit. Permits shall be  
15 valid for one year, from December 1 to November 30, and  
16 renewable annually. Whenever a retail tobacco permit is  
17 defaced, destroyed, or lost, or the permittee relocates the  
18 permittee's business, the department may issue a duplicate  
19 retail tobacco permit to the permittee [~~for a fee of \$5 per~~  
20 ~~copy.~~], but may adopt by rule pursuant to chapter 91 a  
21 reasonable fee to be charged for the duplicate and not to exceed  
22 the fee required for the initial permit."

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1 SECTION 5. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 6. This Act shall take effect upon its approval;  
4 provided that section 1 shall take effect on January 1, 2020,  
5 sections 2 and 3 shall take effect on July 1, 2020, and section  
6 4 shall take effect on December 1, 2020.

INTRODUCED BY: 

BY REQUEST

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**Report Title:**

Fees for Fuel Tax, Liquor Tax, and Cigarette and Tobacco Tax

**Description:**

Changes the fees for permits and licenses issued under chapters 243, 244D and 245, Hawaii Revised Statutes, from specified amounts to reasonable fees established by rule adopted by the Department of Taxation.

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

## JUSTIFICATION SHEET

DEPARTMENT: Taxation.

TITLE: A BILL FOR AN ACT RELATING TO FEES FOR LICENSES AND PERMITS.

PURPOSE: Changes the fees for permits and licenses issued under chapters 243, 244D and 245, HRS, from specified amounts to reasonable fees determined by administrative rule.

MEANS: Amends sections 243-3(d), 244D-2(b) and (c), 245-2(b), and 245-2.5(c), HRS.

JUSTIFICATION: The fees charged for issuance of permits and licenses under chapters 243, 244D, and 245, HRS, are not adequate to cover the cost of the service being provided to the taxpayers. This bill allows the Department of Taxation (Department) to increase these fees to reasonable amounts or to discontinue the fees entirely.

Impact on the public: Persons seeking permits or licenses under chapters 243, 244D, or 245 may owe different fees.

Impact on the department and other agencies: The Department will not be required to collect and account for nominal fees and will be able to charge amounts that are reasonable compared to the service being provided.

GENERAL FUND: None.

OTHER FUNDS: None.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Section 1 is effective January 1, 2020.  
Sections 2 and 3 are effective July 1, 2020.  
Section 4 is effective December 1, 2020.