
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 245-1, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By adding three new definitions to be appropriately
4 inserted and to read:

5 "E-liquid" means any liquid or like substance, which may
6 or may not contain nicotine, that is designed or intended to be
7 used in an electronic smoking device, whether or not packaged in
8 a cartridge or other container. "E-liquid" shall not include
9 prescription drugs; medical cannabis or manufactured cannabis
10 products pursuant to chapter 329D; or medical devices used to
11 aerosolize, inhale, or ingest prescription drugs, including
12 manufactured cannabis products manufactured or distributed in
13 accordance with section 329D-10(a).

14 "Electronic smoking device" means any electronic product,
15 or part thereof, that can be used by a person to simulate
16 smoking in the delivery of nicotine or any other substance,
17 intended for human consumption, through inhalation of vapor or



1 aerosol from the product. "Electronic smoking device" includes
2 but is not limited to an electronic cigarette, electronic cigar,
3 electronic cigarillo, electronic pipe, electronic hookah, vape
4 pen or related product, and any cartridge or other component
5 part of the device or product.

6 "Smoke" or "smoking" means inhaling, exhaling, burning,
7 carrying, or possessing any lighted or heated tobacco product,
8 or similar substance intended for human consumption, including
9 the use of an electronic smoking device that creates an aerosol
10 or vapor, in any manner or in any form."

11 2. By amending the definition of "tobacco products" to
12 read:

13 "Tobacco products" means [~~tobacco~~]:

14 (1) Tobacco in any form, other than cigarettes or little
15 cigars, that is [~~prepared or~~] intended for human
16 consumption [~~or for personal use by humans, including~~
17 ~~large cigars and any substitutes thereof other than~~
18 ~~cigarettes that bear the semblance thereof, snuff,~~
19 ~~chewing or smokeless tobacco, and smoking or pipe~~
20 ~~tobacco.~~] or is likely to be consumed, whether smoked,



1 heated, chewed, absorbed, dissolved, inhaled, or
2 ingested by other means;

3 (2) E-liquid; or

4 (3) Electronic smoking device.

5 "Tobacco products" includes but is not limited to large cigars
6 and any substitutes thereof other than cigarettes that bear the
7 semblance thereof, pipe tobacco, chewing or smokeless tobacco,
8 snuff, snus, e-liquid, and electronic smoking devices."

9 SECTION 2. Section 245-3, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) Every wholesaler or dealer, in addition to any other
12 taxes provided by law, shall pay for the privilege of conducting
13 business and other activities in the State:

14 (1) An excise tax equal to 5.00 cents for each cigarette
15 sold, used, or possessed by a wholesaler or dealer
16 after June 30, 1998, whether or not sold at wholesale,
17 or if not sold then at the same rate upon the use by
18 the wholesaler or dealer;

19 (2) An excise tax equal to 6.00 cents for each cigarette
20 sold, used, or possessed by a wholesaler or dealer
21 after September 30, 2002, whether or not sold at



1 wholesale, or if not sold then at the same rate upon
2 the use by the wholesaler or dealer;

3 (3) An excise tax equal to 6.50 cents for each cigarette
4 sold, used, or possessed by a wholesaler or dealer
5 after June 30, 2003, whether or not sold at wholesale,
6 or if not sold then at the same rate upon the use by
7 the wholesaler or dealer;

8 (4) An excise tax equal to 7.00 cents for each cigarette
9 sold, used, or possessed by a wholesaler or dealer
10 after June 30, 2004, whether or not sold at wholesale,
11 or if not sold then at the same rate upon the use by
12 the wholesaler or dealer;

13 (5) An excise tax equal to 8.00 cents for each cigarette
14 sold, used, or possessed by a wholesaler or dealer on
15 and after September 30, 2006, whether or not sold at
16 wholesale, or if not sold then at the same rate upon
17 the use by the wholesaler or dealer;

18 (6) An excise tax equal to 9.00 cents for each cigarette
19 sold, used, or possessed by a wholesaler or dealer on
20 and after September 30, 2007, whether or not sold at



wholesale, or if not sold then at the same rate upon
the use by the wholesaler or dealer;

(7) An excise tax equal to 10.00 cents for each cigarette
sold, used, or possessed by a wholesaler or dealer on
and after September 30, 2008, whether or not sold at
wholesale, or if not sold then at the same rate upon
the use by the wholesaler or dealer;

(8) An excise tax equal to 13.00 cents for each cigarette
sold, used, or possessed by a wholesaler or dealer on
and after July 1, 2009, whether or not sold at
wholesale, or if not sold then at the same rate upon
the use by the wholesaler or dealer;

(9) An excise tax equal to 11.00 cents for each little
cigar sold, used, or possessed by a wholesaler or
dealer on and after October 1, 2009, whether or not
sold at wholesale, or if not sold then at the same
rate upon the use by the wholesaler or dealer;

(10) An excise tax equal to 15.00 cents for each cigarette
or little cigar sold, used, or possessed by a
wholesaler or dealer on and after July 1, 2010,
whether or not sold at wholesale, or if not sold then



1 at the same rate upon the use by the wholesaler or
2 dealer;

3 (11) An excise tax equal to 16.00 cents for each cigarette
4 or little cigar sold, used, or possessed by a
5 wholesaler or dealer on and after July 1, 2011,
6 whether or not sold at wholesale, or if not sold then
7 at the same rate upon the use by the wholesaler or
8 dealer;

9 (12) An excise tax equal to seventy per cent of the
10 wholesale price of each article or item of tobacco
11 products, other than large cigars, e-liquid, and
12 electronic smoking devices, sold by the wholesaler or
13 dealer on and after September 30, 2009, whether or not
14 sold at wholesale, or if not sold then at the same
15 rate upon the use by the wholesaler or dealer; and

16 (13) An excise tax equal to fifty per cent of the wholesale
17 price of each large cigar of any length, sold, used,
18 or possessed by a wholesaler or dealer on and after
19 September 30, 2009, whether or not sold at wholesale,
20 or if not sold then at the same rate upon the use by
21 the wholesaler or dealer[?];



1 (14) An excise tax equal to twenty per cent of the
2 wholesale price of each electronic smoking device sold
3 by the wholesaler or dealer on and after October 1,
4 2022, whether or not sold at wholesale, or if not sold
5 then at the same rate upon the use by the wholesaler
6 or dealer; and

7 (15) An excise tax equal to 10.00 cents for each milliliter
8 of e-liquid sold by the wholesaler or dealer on and
9 after October 1, 2022, whether or not sold at
10 wholesale, or if not sold then at the same rate upon
11 the use by the wholesaler or dealer.

12 Where the tax imposed has been paid on cigarettes, little
13 cigars, or tobacco products that thereafter become the subject
14 of a casualty loss deduction allowable under chapter 235, the
15 tax paid shall be refunded or credited to the account of the
16 wholesaler or dealer. The tax shall be applied to cigarettes
17 through the use of stamps."

18 SECTION 3. Section 245-15, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "**\$245-15 Disposition of revenues.** All moneys collected
21 pursuant to this chapter shall be paid into the state treasury



1 as state realizations to be kept and accounted for as provided
2 by law; provided that, of the moneys collected under the tax
3 imposed pursuant to:

4 (1) Section 245-3(a)(5), after September 30, 2006, and
5 prior to October 1, 2007, 1.0 cent per cigarette shall
6 be deposited to the credit of the Hawaii cancer
7 research special fund, established pursuant to section
8 304A-2168, for research and operating expenses and for
9 capital expenditures;

10 (2) Section 245-3(a)(6), after September 30, 2007, and
11 prior to October 1, 2008:

12 (A) 1.5 cents per cigarette shall be deposited to the
13 credit of the Hawaii cancer research special
14 fund, established pursuant to section 304A-2168,
15 for research and operating expenses and for
16 capital expenditures;

17 (B) 0.25 cents per cigarette shall be deposited to
18 the credit of the trauma system special fund
19 established pursuant to section 321-22.5; and

20 (C) 0.25 cents per cigarette shall be deposited to
21 the credit of the emergency medical services



special fund established pursuant to section 321-
234;

(3) Section 245-3(a)(7), after September 30, 2008, and
prior to July 1, 2009:

(A) 2.0 cents per cigarette shall be deposited to the
credit of the Hawaii cancer research special
fund, established pursuant to section 304A-2168,
for research and operating expenses and for
capital expenditures;

(B) 0.5 cents per cigarette shall be deposited to the
credit of the trauma system special fund
established pursuant to section 321-22.5;

(C) 0.25 cents per cigarette shall be deposited to
the credit of the community health centers
special fund established pursuant to section 321-
1.65; and

(D) 0.25 cents per cigarette shall be deposited to
the credit of the emergency medical services
special fund established pursuant to section 321-
234;



(4) Section 245-3(a)(8), after June 30, 2009, and prior to July 1, 2013:

(A) 2.0 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures;

(B) 0.75 cents per cigarette shall be deposited to the credit of the trauma system special fund established pursuant to section 321-22.5;

(C) 0.75 cents per cigarette shall be deposited to the credit of the community health centers special fund established pursuant to section 321-1.65; and

(D) 0.5 cents per cigarette shall be deposited to the credit of the emergency medical services special fund established pursuant to section 321-234;

(5) Section 245-3(a)(11), after June 30, 2013, and prior to July 1, 2015:

(A) 2.0 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special



1 fund, established pursuant to section 304A-2168,
2 for research and operating expenses and for
3 capital expenditures;

4 (B) 1.5 cents per cigarette shall be deposited to the
5 credit of the trauma system special fund
6 established pursuant to section 321-22.5;

7 (C) 1.25 cents per cigarette shall be deposited to
8 the credit of the community health centers
9 special fund established pursuant to section 321-
10 1.65; and

11 (D) 1.25 cents per cigarette shall be deposited to
12 the credit of the emergency medical services
13 special fund established pursuant to section 321-
14 234; [and]

15 (6) Section 245-3(a)(11), after June 30, 2015, and
16 thereafter:

17 (A) 2.0 cents per cigarette shall be deposited to the
18 credit of the Hawaii cancer research special
19 fund, established pursuant to section 304A-2168,
20 for research and operating expenses and for
21 capital expenditures;



1 (B) 1.125 cents per cigarette, but not more than
2 \$7,400,000 in a fiscal year, shall be deposited
3 to the credit of the trauma system special fund
4 established pursuant to section 321-22.5;

5 (C) 1.25 cents per cigarette, but not more than
6 \$8,800,000 in a fiscal year, shall be deposited
7 to the credit of the community health centers
8 special fund established pursuant to section 321-
9 1.65; and

10 (D) 1.25 cents per cigarette, but not more than
11 \$8,800,000 in a fiscal year, shall be deposited
12 to the credit of the emergency medical services
13 special fund established pursuant to section 321-
14 234[-];

15 (7) Section 245-3(a)(14), after September 30, 2022, and
16 thereafter:

17 (A) \$ shall be deposited to the credit of
18 the trauma system special fund established
19 pursuant to section 321-22.5;



1 (B) \$ _____ shall be deposited to the credit of
2 the community health centers special fund
3 established pursuant to section 321-1.65; and

4 (C) \$ _____ shall be deposited to the credit of
5 the emergency medical services special fund
6 established pursuant to section 321-234; and

7 (8) Section 245-3(a)(15), after September 30, 2022, and
8 thereafter:

9 (A) \$ _____ shall be deposited to the credit of
10 the trauma system special fund established
11 pursuant to section 321-22.5;

12 (B) \$ _____ shall be deposited to the credit of
13 the community health centers special fund
14 established pursuant to section 321-1.65; and

15 (C) \$ _____ shall be deposited to the credit of
16 the emergency medical services special fund
17 established pursuant to section 321-234.

18 The department shall provide an annual accounting of these
19 dispositions to the legislature."

20 SECTION 4. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



H.B. NO. 1925

1 SECTION 5. This Act shall take effect on July 1, 2022.

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INTRODUCED BY:

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JAN 21 2022



H.B. NO. 1925

Report Title:

Taxation; Electronic Smoking Devices; E-Liquid; Tobacco Products

Description:

Includes e-liquid and electronic smoking devices within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law. Establishes a tax of twenty per cent for the wholesale price for electronic smoking devices and 10 cents for each milliliter of e-liquid. Allocates a portion of funds collected on excise taxes on electronic smoking devices and e-liquids to the trauma system special fund, community health centers special fund, and emergency medical services special fund.

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

