

JAN 21 2022

A BILL FOR AN ACT

RELATING TO FIREWORKS.

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

1 SECTION 1. Chapter 237, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:
4 "§237- Consumer fireworks tax. (a) There is hereby
5 levied and shall be assessed and collected with each
6 transaction, in addition to any other tax imposed under this
7 chapter and license or fee imposed under chapter 132D, a
8 consumer fireworks tax against retailers and wholesalers, as
9 defined in section 237-4(a)(1), of consumer fireworks, as
10 defined in section 132D-2, measured by the application of rates
11 against the gross proceeds of sales as provided in subsection
12 (b). For the purposes of this section, "retailer" means a
13 person that engages in the practice of selling consumer
14 fireworks, as defined in section 132D-2, to consumers.
15 (b) Upon every person engaged in the sales of consumer
16 fireworks to consumers or at wholesale to a retail merchant,
17 jobber, or other licensed seller for purposes of resale consumer



1 fireworks, there shall be levied, assessed, and collected a
2 consumer fireworks tax equal to the value of the consumer
3 fireworks, as shown by the gross proceeds derived from the sale
4 thereof by the retailer or wholesaler, multiplied by ten per
5 cent.

6 (c) Beginning January 1, 2023, the consumer fireworks tax
7 shall be paid to the State, in the same manner as the return for
8 the general excise tax under section 237-30(b)(1), in quarterly
9 installments on or before the last day of the calendar month
10 after the close of each quarter in which the taxes accrue, and
11 shall be paid by transmitting the signed return together with
12 the remittance in the manner provided in section 237-31. Annual
13 return and payment of tax under section 237-33 shall apply to
14 this section.

15 (d) Audits, procedures, and penalties under sections
16 237-39 and 237-32 shall apply to this section.

17 (e) All remittances of taxes imposed by this section shall
18 be deposited into the state treasury as a state realization;
19 provided that _____ per cent of remittances under this section
20 shall be set aside in a separate account to be drawn upon,
21 without appropriation by the legislature, by the department of



1 the attorney general and the department of taxation for
2 implementation and enforcement of this section; provided further
3 that the department of the attorney general and the department
4 of taxation shall coordinate implementation and enforcement so
5 as to minimize duplication of services; provided further that
6 the department of the attorney general and the department of
7 taxation shall report to the legislature prior to the convening
8 of each regular session on the expenses paid from the separate
9 account in the year immediately preceding the report."

10 SECTION 2. Section 132D-11, Hawaii Revised Statutes, is
11 amended by amending subsection (a) to read as follows:

12 "(a) The fee for the license required under section 132D-7
13 shall be \$3,000 for importers, \$2,000 for each wholesaler's
14 site, \$1,000 for each storage site, and \$500 for each retailer's
15 site for each year or fraction of a year in which the licensee
16 plans to conduct business and shall be payable to the county.
17 The license fees shall be used solely by each county fire
18 department to pay for the salary of an auditor of fireworks and
19 articles pyrotechnic records and all expenses incurred to
20 fulfill the duties required, including the inspection of
21 inventory and storage facilities, maintenance of required



1 records, and the training of the auditor. The auditor shall
2 monitor strict inventory and recordkeeping requirements to
3 ensure that sales of fireworks or articles pyrotechnic are made
4 only to license or permit holders under this chapter. The
5 auditor shall submit an annual report detailing inventory,
6 recordkeeping, and sales of fireworks to license or permit
7 holders to the legislature. The county shall provide an
8 exemption from the fees under this section to nonprofit
9 community groups for importation and storage of fireworks or
10 articles pyrotechnic for displays once a year."

11 SECTION 3. New statutory material is underscored.

12 SECTION 4. This Act shall take effect on July 1, 2022.

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INTRODUCED BY: Michelle Tedani



S.B. NO. 2185

Report Title:

Fireworks; Tax; Audit; County Fire Departments; Annual Report

Description:

Imposes a consumer fireworks tax at the wholesale and retail levels. Requires the Auditor of fireworks and articles pyrotechnic records of each county fire department to submit an annual report detailing inventory, recordkeeping, and sales of fireworks to license or permit holders to the Legislature.

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

