

ACT 239

H.B. NO. 281

A Bill for an Act Relating to the State Highway Fund.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 237-31, Hawaii Revised Statutes, is amended to read as follows:

“**§237-31 Remittances.** All remittances of taxes imposed by this chapter shall be made by money, bank draft, check, cashier’s check, money order, or certificate of deposit to the office of the department of taxation to which the return was transmitted. The department shall issue its receipts therefore to the taxpayer and shall pay the moneys into the state treasury as a state realization, to be kept and accounted for as provided by law; provided that from July 1, 1981, to June 30, [1987,] 1991, all taxes derived from the sale of liquid fuel under section 237-16, sold or used for operating motor vehicles upon the public highways of the State, shall be deposited into the state treasury to the credit of the state highway fund.

~ The director of taxation with the approval of the governor shall establish by July 1 of [1984, 1985, and 1986] each year from 1984 through 1990, a formula that will equitably establish the amount of taxes collected under section 237-16 in each fiscal year that are derived from the sale of liquid fuel sold or used for operating motor vehicles upon the public highways of the State which are to be deposited into the state treasury to the credit of the state highway fund.”

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

“**§249-31 State registration fee.** All vehicles and motor vehicles in the State as defined in section 249-1, including antique motor vehicles, except as otherwise provided in sections 249-3 [through] to 249-6 shall be subject to a [\$1] \$10 annual vehicle registration fee. The fee shall become due and payable on January 1, and shall be paid before April 1 in each year together with all other taxes and fees levied by this chapter; provided that should any county elect to renew motor vehicle registrations on a staggered basis as authorized by section 286-51, the state registration for that county shall likewise be staggered so that

the state registration fee is due and payable at the same time and shall be collected together with the county fee. The state registration fee shall be deemed delinquent if not paid with the county registration fee. The respective counties shall collect this fee together with the vehicle registration tax collected for the county and shall transfer the moneys collected under this section to the State to be paid into the state highway fund.”

SECTION 3. Section 249-33, Hawaii Revised Statutes, is amended to read as follows:

“**§249-33 State vehicle weight tax, exemptions.** (a) All vehicles and motor vehicles in the State as defined in section 249-1, including antique motor vehicles, except as otherwise provided in sections 249-3 [through] to 249-6, in addition to all other fees and taxes levied by this chapter, shall be subject to an annual state vehicle weight tax. The tax shall be levied by the county director of finance at the rate of [0.45] .50 cents a pound according to the net weight of each vehicle as the “net weight” is defined in section 249-1 up to [6,000] and including 4,000 pounds net weight; vehicles over [6,000] 4,000 pounds and up to [9,000] and including 7,000 pounds net weight shall be taxed [§27;] at the rate of .55 cents a pound; vehicles over [9,000] 7,000 pounds and up to and including [14,000] 10,000 pounds net weight shall be taxed [§31.50;] at the rate of .60 cents a pound; vehicles over [14,000] 10,000 pounds net weight shall be taxed at a flat rate of [§36; provided that in no case shall the tax assessed and collected be less than \$2 nor more than a maximum of \$36.] §65.

(b) The tax shall become due and payable on January 1 and shall be paid before April 1 in each year together with all other taxes and fees levied by this chapter; provided that should any county elect to renew motor vehicle registrations on a staggered basis as authorized by section 286-51, the state vehicle weight tax shall likewise be staggered so that the state vehicle weight tax is collected together with the county fee. The state vehicle weight tax shall be deemed delinquent if not paid with the county registration fee. The tax shall be paid by the owner of each vehicle to the director of finance of the county in which the vehicle is registered and shall be collected by the director of finance of such county together with all other fees and taxes levied by this chapter from the owner of each vehicle and motor vehicle registered in the county.

By the fifteenth day of the month following the month in which taxes under this section are collected, the director of finance of each county shall transmit the taxes collected to the state director of finance for deposit into the state highway fund.

(c) The exemptions provided by sections 249-3 to 249-6 shall apply to this section. The provisions for refunds, and taxes for fraction of years for vehicles removed from or brought into the State and for junked vehicles, contained in sections 249-3 and 249-5 shall apply to the tax levied by this section.

(d) If it is shown to the satisfaction of the department of transportation of the State, based upon proper records and from such other evidence as the department of transportation may require, that any vehicle with a net vehicle weight of 6,000 pounds or over is used for agricultural purposes the owner thereof may obtain a refund of all taxes thereon imposed by this section. The department of transportation shall prescribe rules [and regulations] to administer such refunds.

(e) The counties shall be reimbursed the incremental costs incurred in the collection and administration of taxes and fees imposed under section 249-31

and this section; the amount of reimbursement shall be determined by the director of transportation.”

SECTION 4. Section 243-4, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) 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 [him] the distributor in the State or imported by the distributor, or acquired by [him] the distributor from persons not licensed distributors, and sold or used by [him] 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 [himself]. The rates of tax hereby imposed are as follows:

- (1) For each gallon of diesel oil, 1 cent.
- (2) For each gallon of gasoline or other aviation fuel sold for use in or used for airplanes, 1 cent.
- (3) For each gallon of liquid fuel other than fuel mentioned in [items] paragraphs (1) and (2), sold or used in the city and county of Honolulu, or in any county for ultimate use in the city and county of Honolulu, [8-1/2] 11 cents state tax, and in addition thereto such amount, to be known as the “city and county of Honolulu fuel tax”, as shall be levied pursuant to section 243-5.
- (4) For each gallon of liquid fuel other than fuel mentioned in [items] paragraphs (1) and (2), sold or used in the county of Hawaii, or in any county for ultimate use in the county of Hawaii, [8-1/2] 11 cents state tax, and in addition thereto such amount, to be known as the “county of Hawaii fuel tax”, as shall be levied pursuant to section 243-5.
- (5) For each gallon of liquid fuel other than fuel mentioned in [items] paragraphs (1) and (2), sold or used in the county of Maui, or in any county for ultimate use in the county of Maui, [8-1/2] 11 cents state tax, and in addition thereto such amount, to be known as the “county of Maui fuel tax”, as shall be levied pursuant to section 243-5.
- (6) For each gallon of liquid fuel other than fuel mentioned in [items] paragraphs (1) and (2), sold or used in the county of Kauai, or in any county for ultimate use in the county of Kauai, [8-1/2] 11 cents state tax, and in addition thereto such amount, to be known as the “county of Kauai fuel tax”, as shall be levied pursuant to section 243-5.

If it is shown to the satisfaction of the department, based upon proper records and from such other evidence as the department may require, that liquid fuel other than fuel mentioned in [items] paragraphs (1) and (2) is used for agricultural equipment that does not operate upon the public highways of the State, the user thereof may obtain a refund of all taxes thereon imposed by this section in excess of 1 cent per gallon. The department shall prescribe rules [and regulations] to administer for such refunds.

(b) Every distributor of diesel oil shall, in addition to the tax required by subsection (a) of this section, pay a license tax to the department for each gallon of such diesel oil sold or used by [him] the distributor for operating a motor

vehicle or motor vehicles upon public highways of the State. The rates of the additional tax hereby imposed are as follows:

- (1) For each gallon of diesel oil so sold in the city and county of Honolulu, or in any other county for ultimate use in the city and county of Honolulu, or used in the city and county of Honolulu, [7-1/2] 11 cents state tax, and in addition thereto such amount, to be known as the "city and county of Honolulu fuel tax", as shall be levied pursuant to section 243-5.
- (2) For each gallon of diesel oil so sold in the county of Hawaii, or in any other county for ultimate use in the county of Hawaii, or used in the county of Hawaii, [7-1/2] 11 cents state tax, and in addition thereto such amount, to be known as the "county of Hawaii fuel tax", as shall be levied pursuant to section 243-5.
- (3) For each gallon of diesel oil so sold in the county of Maui, or in any other county for ultimate use in the county of Maui, or used in the county of Maui, [7-1/2] 11 cents state tax, and in addition thereto such amount, to be known as the "county of Maui fuel tax", as shall be levied pursuant to section 243-5.
- (4) For each gallon of diesel oil so sold in the county of Kauai, or in any other county for ultimate use in the county of Kauai, or used in the county of Kauai, [7-1/2] 11 cents state tax, and in addition thereto such amount, to be known as the "county of Kauai fuel tax", as shall be levied pursuant to section 243-5.

If any user of diesel oil furnishes a certificate, in such form as the department shall prescribe, to the distributor, or the distributor who uses diesel oil signs such certificate, certifying that the diesel oil is for use in operating a motor vehicle or motor vehicles in areas other than upon the public highways of the State, the tax as provided in paragraphs (1) to (4) [of this subsection] shall not be applicable. In the event a certificate is not or cannot be furnished and the diesel oil is in fact for use for operating a motor vehicle or motor vehicles in areas other than upon public highways of the State, the user thereof may obtain a refund of all taxes thereon imposed by the foregoing paragraphs. The department shall prescribe rules [and regulations] to administer the refunding of such taxes."

SECTION 5. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 1985; provided that sections 2 and 3 of this Act shall take effect on October 1, 1985.

(Approved June 5, 1985.)