

ACT 85

H.B. NO. 2584

A Bill for an Act Relating to the Fuel Tax.

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

SECTION 1. The “slice waste and tape”, or “SWAT”, regulatory reform initiative within the lieutenant governor’s office is designed to improve state government by eliminating null and void, unnecessary, ineffective, and overly complex administrative rules that deter economic development and hamper government efficiency. The intent of this initiative is to reduce the burden of government regulation and minimize its negative effects on Hawaii’s residents, businesses, the economy, and government operations. Strategies to achieve these objectives include such measures as improving public access to rules, eliminating null and void rules and unnecessary regulation, and reviewing and overhauling the rulemaking process.

The purpose of this Act is to implement one of the lieutenant governor’s initiatives to eliminate unnecessary regulation. Currently, section 243-10, Hawaii Revised Statutes, requires distributors to submit information that is no longer used by the department of taxation. Amending this section to repeal these unnecessary reporting requirements will help reduce the filing burden and help simplify the department’s reporting requirements and form.

SECTION 2. Section 243-10, Hawaii Revised Statutes, is amended to read as follows:

“**§243-10 Statements and payments.** Each distributor and each person subject to section 243-4(b), on or before the last day of each calendar month, shall file with the director of taxation, on forms prescribed, prepared, and furnished by the director, a statement, authenticated as provided in section 231-15, showing separately for each county and for the island of Lanai and the island of Molokai within which and whereon fuel is sold or used during each preceding month of the calendar year, the following:

- (1) The total number of gallons of fuel refined, manufactured, or compounded by the distributor or person within the State and sold or used by the distributor or person, and if for ultimate use in another county or on either island, the name of that county or island;
- [(2) The total number of gallons of fuel imported by the distributor or person and sold or used by the distributor or person, and if for ultimate use in another county or on either island, the name of that county or island;
- (3) (2) The total number of gallons of fuel acquired by the distributor or person during the month from persons not subject to the tax on the transaction or only subject to tax thereon at the rate of 1 cent per gallon, as the case may be, and sold or used by the distributor or person, and if for ultimate use in another county or on either island, the name of that county or island;
- [(4) (3) The total number of gallons of fuel sold by the distributor or person to the United States or any department or agency thereof, or to any

other person or entity, or used in any manner, the effect of which sale or use is to exempt the fuel from the tax imposed by this chapter;

- [(5) The total number of gallons of fuel on hand in the distributor's or person's possession in all of the counties and on the island of Lanai and on the island of Molokai at the beginning of the month, the total number of gallons thereof refined, manufactured, produced, compounded by the distributor or person, or acquired from persons not subject to the tax on such transaction, or only subject to tax thereon at the rate of 1 cent per gallon, as the case may be, or imported during the month, and the total number of gallons thereof on hand in the distributor's or person's possession at the end of the month;] and
- [(6) (4) Additional information relative to the acquisition, purchase, manufacture, or importation into the State, and the sale, use, or other disposition, of diesel oil by the distributor or person during the month, as the department of taxation by rule shall prescribe.

At the time of submitting the foregoing report to the department, each distributor and person shall pay the tax on each gallon of fuel (including diesel oil) sold or used by the distributor or person in each county and on the island of Lanai and the island of Molokai during the preceding month, as shown by the statement and required by this chapter; provided that the tax shall not apply to any fuel exempted and so long as the same is exempted from the imposition of the tax by the Constitution or laws of the United States; and the tax shall be paid only once upon the same fuel; provided further that a licensed distributor shall be entitled, in computing the tax the licensed distributor is required to pay, to deduct from the gallons of fuel reported for the month for each county or for the island of Lanai or the island of Molokai, as the case may be, one gallon for each ninety-nine gallons of like liquid fuel sold by retail dealers in that county or on that island during the month, as shown by certificates furnished by the retail dealers to the distributor and attached to the distributor's report. All taxes payable for any month shall be delinquent after the expiration of the last day of the following month.

Statements filed under this section concerning the number of gallons of fuel refined, manufactured, compounded, imported, sold or used by the distributor or person are public records."

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved April 27, 2000.)