
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The purpose of this Act is to change the
2 current definition of little cigars to a definition that is more
3 appropriate to these products and that includes little cigars in
4 the definition of tobacco products. This Act provides a new
5 definition for large cigars.

6 SECTION 2. Section 245-1, Hawaii Revised Statutes, is
7 amended by:

8 1. Adding a definition of "Large cigar" to be
9 appropriately inserted and to read as follows:

10 "Large cigar" means any roll for smoking made wholly or in
11 part of tobacco if such product is wrapped in any substance
12 containing tobacco, which weighs more than four pounds per
13 thousand."

14 2. Amending the definition of "Little cigar" to read as
15 follows:

16 ""Little cigar" means any roll for smoking made wholly or
17 in part of tobacco if such product is wrapped in any substance



1 containing tobacco, ~~with a ring gauge of less than thirty (less~~
2 ~~than .467 inches in diameter), of any length other than natural~~
3 leaf tobacco, which weighs not more than four pounds per
4 thousand."

5 3. Amending the definition of "tobacco products" to read
6 as follows:

7 ""Tobacco products" means tobacco in any form other than
8 cigarettes or little cigars, that is prepared or intended for
9 consumption or for personal use by humans, including large
10 cigars and any substitutes thereof other than cigarettes that
11 bear the semblance thereof, snuff, chewing or smokeless tobacco,
12 and smoking or pipe tobacco."

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

15 "**§245-3 Taxes.** (a) Every wholesaler or dealer, in
16 addition to any other taxes provided by law, shall pay for the
17 privilege of conducting business and other activities in the
18 State:

- 19 (1) An excise tax equal to 5.00 cents for each cigarette
20 sold, used, or possessed by a wholesaler or dealer
21 after June 30, 1998, whether or not sold at wholesale,



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

3 (2) An excise tax equal to 6.00 cents for each cigarette
4 sold, used, or possessed by a wholesaler or dealer
5 after September 30, 2002, whether or not sold at
6 wholesale, or if not sold then at the same rate upon
7 the use by the wholesaler or dealer;

8 (3) An excise tax equal to 6.50 cents for each cigarette
9 sold, used, or possessed by a wholesaler or dealer
10 after June 30, 2003, 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 (4) An excise tax equal to 7.00 cents for each cigarette
14 sold, used, or possessed by a wholesaler or dealer
15 after June 30, 2004, whether or not sold at wholesale,
16 or if not sold then at the same rate upon the use by
17 the wholesaler or dealer;

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



1 (6) An excise tax equal to 9.00 cents for each cigarette
2 sold, used, or possessed by a wholesaler or dealer on
3 and after September 30, 2007, whether or not sold at
4 wholesale, or if not sold then at the same rate upon
5 the use by the wholesaler or dealer;

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

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

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

21 (10) An excise tax equal to 14.00 cents for each cigarette
22 or little cigar sold, used, or possessed by a



1 wholesaler or dealer on and after July 1, 2010,
2 whether or not sold at wholesale, or if not sold then
3 at the same rate upon the use by the wholesaler or
4 dealer;

5 (11) An excise tax equal to 15.00 cents for each cigarette
6 or little cigar sold, used, or possessed by a
7 wholesaler or dealer on and after July 1, 2011,
8 whether or not sold at wholesale, or if not sold then
9 at the same rate upon the use by the wholesaler or
10 dealer;

11 (12) ~~Except as provided in paragraph (13), an~~ An excise tax
12 equal to seventy per cent of the wholesale price of
13 each article or item of tobacco products, other than
14 large cigars, sold by the wholesaler or dealer on and
15 after September 30, 2009, 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; and

18 (13) An excise tax equal to fifty per cent of the wholesale
19 price of each large cigar ~~with a ring gauge of thirty~~
20 ~~or more (.467 inches in diameter or more)~~, of any
21 length, sold, used, or possessed by a wholesaler or
22 dealer on and after September 30, 2009, whether or not



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

3 Where the tax imposed has been paid on cigarettes, little
4 cigars, or tobacco products that thereafter become the subject
5 of a casualty loss deduction allowable under chapter 235, the
6 tax paid shall be refunded or credited to the account of the
7 wholesaler or dealer. The tax shall be applied to cigarettes
8 through the use of stamps."

9 SECTION 4. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 5. This Act shall take effect on July 1, 2010.



Report Title:

Tobacco products; method of taxation

Description:

Ads a definition for large cigars and changes the definition of little cigars and tobacco products.

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