
A BILL FOR AN ACT

RELATING TO LIQUOR TAX LAW.

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

1 SECTION 1. Chapter 244D, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§244D- Small breweries and brewpubs; tax. Every small
5 brewery or brewpub that brews or produces beer in the State
6 shall pay a gallonage tax of 23 cents per gallon of beer on the
7 first sixty thousand barrels of beer brewed or produced during
8 the taxable year. Beer produced after the first sixty thousand
9 barrels during a taxable year shall be taxed under section
10 244D-4(a)."

11 SECTION 2. Section 244D-1, Hawaii Revised Statutes, is
12 amended by adding two new definitions to be appropriately
13 inserted and to read as follows:

14 "Barrel" means a barrel containing not more than thirty-
15 one gallons or wine gallons of liquor.

16 "Small brewery or brewpub" means a brewery or brewpub that
17 brews or produces not more than two million barrels of beer per
18 taxable year."



1 SECTION 3. Section 244D-4, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) The tax levied pursuant to subsection (a) shall be
4 paid only once upon the same liquor; provided [~~further~~] that the
5 tax shall not apply to:

6 (1) Liquor held for sale by a permittee but not yet sold;

7 (2) Liquor sold by one permittee to another permittee;

8 (3) Liquor which under the Constitution and laws of the
9 United States cannot be legally subjected to the tax

10 imposed by this chapter so long as and to the extent

11 to which the State is without power to impose the tax;

12 (4) Liquor sold for sacramental purposes or the use of

13 liquor for sacramental purposes, or any liquor

14 imported pursuant to section 281-33;

15 (5) Alcohol sold pursuant to section 281-37 to a person

16 holding a purchase permit or prescription [~~therefor~~],

17 or any sale or use of alcohol [~~se~~] purchased [~~se~~]

18 pursuant to section 281-37 for other than beverage

19 purposes [~~se~~]; or

20 (6) Beer or draft beer that is brewed or produced in the

21 State by a small brewery or brewpub, except as

22 provided under section 244D-_____."



1 SECTION 4. Section 244D-6, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§244D-6 Return, form, contents. Every taxpayer shall, on
4 or before the twentieth day of each month, file with the
5 department of taxation in the taxation district in which the
6 taxpayer's business premises are located, or with the department
7 in Honolulu, a return showing all sales of liquor by gallonage
8 and dollar volume in each liquor category defined in section
9 244D-1 and taxed under section 244D-4(a) or 244D-_____ made by the
10 taxpayer during the preceding month, showing separately the
11 amount of the nontaxable sales, and the amount of the taxable
12 sales, and the tax payable thereon. The return shall also show
13 the amount of liquor by gallonage and dollar volume in each
14 liquor category defined in section 244D-1 and taxed under
15 section 244D-4(a) or 244D-_____ used during the preceding month
16 which is subject to tax, and the tax payable [~~thereon~~]. The
17 form of return shall be prescribed by the department and shall
18 contain such information as it may deem necessary for the proper
19 administration of this chapter."

20 SECTION 5. Section 244D-9, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:



1 "(a) Every dealer shall keep a record of all sales of
2 liquor by gallonage and dollar volume in each liquor category
3 defined in section 244D-1 and taxed under section 244D-4(a) or
4 244D-_____ made by the dealer, in such form as the department of
5 taxation may prescribe. Every person holding a license under
6 the liquor law, other than a manufacturer's or wholesaler's
7 license, shall keep a record of all purchases by the person of
8 liquor by gallonage and dollar volume in each liquor category
9 defined in section 244D-1 and taxed under section 244D-4(a) [~~7~~]
10 or 244D-_____ in [~~such~~] a form as the department may prescribe.
11 All [~~such~~] records kept pursuant to this section shall be
12 offered for inspection and examination at any time upon demand
13 by the department or commission and shall be preserved for a
14 period of five years [~~except~~]; provided that the department may
15 in writing consent to their destruction within [~~such~~] a shorter
16 period or may require that they be kept longer.

17 The department may by rule require the dealer to keep such
18 other records as it may deem necessary for the proper
19 enforcement of this chapter."

20 SECTION 6. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 7. This Act, upon its approval, shall apply to
2 taxable years beginning after December 31, 2010.

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Report Title:

Liquor Tax; Small Breweries and Brewpubs

Description:

Reduces the gallonage tax on the first 60,000 barrels of beer brewed or produced during a taxable year by a small brewery or brewpub in the State to \$0.23 per gallon of beer. (SD1)

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

