

JAN 23 2015

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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1.   Section 245-3, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3           "(a)   Every wholesaler or dealer, in addition to any other  
4 taxes provided by law, shall pay for the privilege of conducting  
5 business and other activities in the State:

6           (1)   An excise tax equal to 5.00 cents for each cigarette  
7                sold, used, or possessed by a wholesaler or dealer  
8                after June 30, 1998, whether or not sold at wholesale,  
9                or if not sold then at the same rate upon the use by  
10              the wholesaler or dealer;

11          (2)   An excise tax equal to 6.00 cents for each cigarette  
12                sold, used, or possessed by a wholesaler or dealer  
13                after September 30, 2002, 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          (3)   An excise tax equal to 6.50 cents for each cigarette  
17                sold, used, or possessed by a wholesaler or dealer



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1 after June 30, 2003, whether or not sold at wholesale,  
2 or if not sold then at the same rate upon the use by  
3 the wholesaler or dealer;

4 (4) An excise tax equal to 7.00 cents for each cigarette  
5 sold, used, or possessed by a wholesaler or dealer  
6 after June 30, 2004, whether or not sold at wholesale,  
7 or if not sold then at the same rate upon the use by  
8 the wholesaler or dealer;

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

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

19 (7) An excise tax equal to 10.00 cents for each cigarette  
20 sold, used, or possessed by a wholesaler or dealer on  
21 and after September 30, 2008, whether or not sold at



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

3           (8)   An excise tax equal to 13.00 cents for each cigarette  
4           sold, used, or possessed by a wholesaler or dealer on  
5           and after July 1, 2009, 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           (9)   An excise tax equal to 11.00 cents for each little  
9           cigar sold, used, or possessed by a wholesaler or  
10          dealer on and after October 1, 2009, whether or not  
11          sold at wholesale, or if not sold then at the same  
12          rate upon the use by the wholesaler or dealer;

13          (10)  An excise tax equal to 15.00 cents for each cigarette  
14          or little cigar sold, used, or possessed by a  
15          wholesaler or dealer on and after July 1, 2010,  
16          whether or not sold at wholesale, or if not sold then  
17          at the same rate upon the use by the wholesaler or  
18          dealer;

19          (11)  An excise tax equal to 16.00 cents for each cigarette  
20          or little cigar sold, used, or possessed by a  
21          wholesaler or dealer on and after July 1, 2011,



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

4           (12) An excise tax equal to [~~seventy~~] 70 per cent of the  
5           wholesale price of each article or item of tobacco  
6           products, other than large cigars, sold by the  
7           wholesaler or dealer on and after September 30, 2009,  
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; and

11          (13) An excise tax equal to [~~fifty~~] the lesser of:  
12            (A) 50.00 cents for each large cigar; or  
13            (B) 50 per cent of the wholesale price of each large  
14            cigar of any length, sold, used, or possessed by a  
15            wholesaler or dealer on and after [~~September 30,~~  
16            ~~2009,~~] July 1, 2015, whether or not sold at wholesale,  
17            or if not sold then at the same rate upon the use by  
18            the wholesaler or dealer.

19          Where the tax imposed has been paid on cigarettes, little  
20          cigars, or tobacco products that thereafter become the subject  
21          of a casualty loss deduction allowable under chapter 235, the



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1 tax paid shall be refunded or credited to the account of the  
2 wholesaler or dealer. The tax shall be applied to cigarettes  
3 through the use of stamps."

4 SECTION 2. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 3. This Act shall take effect on July 1, 2015.

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INTRODUCED BY:                       
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# S.B. NO. 401

**Report Title:**

Large Cigars; Tax

**Description:**

Amends the excise tax rate on the sale of large cigars beginning on 7/1/2015 to the lesser of 50 cents for each large cigar or 50 per cent of the wholesale price of each large cigar.

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

