
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



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



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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 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 per cent of the wholesale
12 price of each large cigar of any length, sold, used,
13 or possessed by a wholesaler or dealer on and after
14 September 30, 2009, whether or not sold at wholesale,
15 or if not sold then at the same rate upon the use by
16 the wholesaler or dealer[-]; and

17 (14) An excise tax equal to the lesser of:

18 (A) 50.00 cents; or

19 (B) Fifty per cent of the wholesale price;

20 for each large cigar of any length, sold, used, or

21 possessed by a wholesaler or dealer on and after July



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1 1, 2016, whether or not sold at wholesale, or if not
2 sold then at the same rate upon the use by the
3 wholesaler or dealer.

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

10 SECTION 2. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 3. This Act shall take effect on July 1, 2016.

13

INTRODUCED BY: 
By Request



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Report Title:

Cigars; Tax

Description:

Changes the tax rate on the sale of large cigars beginning 7/1/16.

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