
A BILL FOR AN ACT

RELATING TO CHAPTER 245, HAWAII REVISED STATUTES.

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

1 SECTION 1. The legislature finds that tobacco use is the
2 single most preventable cause of disease, disability, and death
3 in the United States. Tobacco use continues to be a problem in
4 Hawaii, causing approximately one thousand four hundred deaths
5 per year among adults. An estimated twenty-one thousand
6 children in Hawaii currently under the age of eighteen will
7 ultimately die prematurely from smoking. Tobacco use poses a
8 heavy burden on Hawaii's health care system and economy. Each
9 year, smoking costs approximately \$526,000,000 in direct health
10 care expenditures and \$387,300,000 in lost productivity in the
11 State.

12 The legislature further finds that tobacco products are
13 addictive and inherently dangerous, causing many different types
14 of cancer, heart disease, and other serious illnesses. Hawaii
15 has a substantial interest in reducing the number of individuals
16 of all ages who use tobacco products, and a particular interest



1 in protecting adolescents from tobacco dependence and the
2 illnesses and premature death associated with tobacco use.

3 The legislature additionally finds that electronic smoking
4 devices, also known as e-cigarettes, are battery-operated
5 products designed to deliver nicotine, flavor, and other
6 chemicals to the user by turning chemicals including highly
7 addictive nicotine into an aerosol that is inhaled by the user.
8 Consumers may choose from varying strengths of e-liquid as well
9 as liquids consisting of different flavors.

10 The electronic smoking device industry, including the
11 production of e-liquid, is growing rapidly. According to a 2016
12 report from the United States Surgeon General, e-cigarette use
13 among the nation's youth and young adults has become a major
14 public health concern. The Surgeon General's report noted that
15 e-cigarette use has increased considerably in recent years,
16 growing an astounding nine hundred per cent among high school
17 students from 2011 to 2015. Recent figures from the federal
18 Centers for Disease Control and Prevention indicate that more
19 than 3,000,000 middle school and high school students were
20 current users of e-cigarettes in 2015. Furthermore,
21 e-cigarettes are now the most commonly used tobacco product



1 among youth, surpassing conventional cigarettes in 2014.
2 E-cigarette use among youth and young adults is also strongly
3 associated with the use of other tobacco products, including
4 combustible tobacco products. Toxicologists have also warned
5 that e-liquids pose significant risks to public health,
6 particularly to children. According to the Surgeon General's
7 report, ingestion of e-liquids containing nicotine can cause
8 acute toxicity and possibly death, if the contents of refill
9 cartridges or bottles containing nicotine are consumed. The
10 Surgeon General's report also found that there are numerous
11 policies and practices that can be implemented at the state and
12 local levels to address electronic smoking device use among
13 youth and young adults, including preventing access to
14 e-cigarettes by youth, significant increases in tax and price of
15 e-cigarettes, retail licensure, and regulation of e-cigarettes
16 marketing.

17 The legislature finds that the rapid growth of the
18 electronic smoking device industry, including retail businesses
19 selling electronic smoking devices or e-liquid, necessitates
20 further regulations to protect consumers, such as requiring



1 retailers of electronic smoking devices or e-liquid to obtain a
2 retail tobacco permit.

3 The legislature notes that the federal Food and Drug
4 Administration (FDA) recently finalized a rule that expands its
5 regulatory authority to all tobacco products, including
6 electronic smoking devices, cigars, and hookah and pipe tobacco.
7 However, the legislature also notes that there is currently no
8 state tobacco tax attached to e-liquid or electronic smoking
9 devices, even though these products are now regulated as tobacco
10 products by the FDA. Furthermore, e-liquid and tobacco products
11 other than cigarettes are currently taxed at a lower rate than
12 cigarettes, even though their use carries similar health risks.
13 Research has shown that either a tax on cigarettes or cigarette
14 price increases have the propensity to reduce the rate of
15 smoking by adult and youth smokers. However, the legislature is
16 concerned that as the price of cigarettes increases, smokers may
17 be tempted to purchase less expensive products such as
18 electronic smoking devices.

19 Finally, the legislature concludes that there needs to be a
20 tax on e-liquid and taxing this product at the same rate as
21 other tobacco products is the most equitable way to do so.



1 Imposing a tax on e-liquids will also encourage users of
2 electronic smoking devices to quit, sustain cessation, prevent
3 youth initiation, and reduce consumption among those who
4 continue to use.

5 The purpose of this Act is to:

- 6 (1) Impose an excise tax on e-liquid sold by a wholesaler
7 or dealer on and after January 1, 2018, whether or not
8 sold at wholesale, or if not sold, then at the same
9 rate upon the use by the wholesaler or dealer;
- 10 (2) Require every retailer engaged in the retail sale of
11 cigarettes, tobacco products, electronic smoking
12 devices, or e-liquid to obtain a retail tobacco permit
13 to sell, possess, keep, acquire, distribute, or
14 transport cigarettes, tobacco products, electronic
15 smoking devices, or e-liquid for retail sale;
- 16 (3) Increase the license fee for persons engaged as a
17 wholesaler or dealer of cigarettes, tobacco products,
18 electronic smoking devices, and e-liquid; and
- 19 (4) Increase the retail tobacco permit fee for retailers
20 engaged in the retail sale of cigarettes, tobacco
21 products, electronic smoking devices, and e-liquid.



1 SECTION 2. Section 245-1, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By adding four new definitions to be appropriately
4 inserted and to read:

5 "Disposable electronic smoking device" means an electronic
6 smoking device that is designed or intended not to be reused or
7 refilled.

8 "Electronic smoking device" means any electronic product
9 that can be used to aerosolize and deliver nicotine to the
10 person inhaling from the device, including but not limited to an
11 electronic cigarette, electronic cigar, electronic cigarillo,
12 electronic pipe, electronic hookah pipe, or hookah pen.

13 "E-liquid" means any liquid containing nicotine that is
14 designed or intended to be used in a reusable electronic smoking
15 device, whether or not packaged in a cartridge or other
16 container.

17 "Reusable electronic smoking device" means an electronic
18 smoking device that is designed or intended to be reused or
19 refilled."

20 2. By amending the definition of "business location" or
21 "place of business" to read:



1 ""Business location" or "place of business" means the
2 entire premises occupied by a retail tobacco permit applicant or
3 an entity required to hold a retail tobacco permit under this
4 chapter and shall include but is not limited to any store,
5 stand, outlet, vehicle, cart, location, vending machine, or
6 structure from which cigarettes [~~or~~], tobacco products,
7 electronic smoking devices, or e-liquids are sold or distributed
8 to a consumer."

9 3. By amending the definition of "dealer" to read:

10 ""Dealer" means any person coming into the possession of
11 cigarettes [~~or~~], tobacco products, electronic smoking devices,
12 or e-liquid, which [~~have~~] has not been acquired from an
13 authorized permit holder or licensee under this chapter, or any
14 person rendering a distribution service who buys and maintains,
15 at the person's place of business, a stock of cigarettes [~~or~~],
16 tobacco products, electronic smoking devices, or e-liquid that
17 [~~have~~] has not been acquired from a licensee and who distributes
18 or uses such cigarettes [~~or~~], tobacco products[~~-~~], electronic
19 smoking devices, or e-liquid."

20 4. By amending the definition of "license" to read:



1 "License" means a license granted under this chapter, that
 2 authorizes the holder to engage in the business of a wholesaler
 3 or dealer of cigarettes [~~or~~], tobacco products, electronic
 4 smoking devices, or e-liquids in the State. For purposes of any
 5 action brought pursuant to section 231-35, the term "license"
 6 shall include a retail tobacco permit required under this
 7 chapter."

8 5. By amending the definition of "retail sale" or "tobacco
 9 retailing" to read:

10 "Retail sale" or "tobacco retailing" means the practice of
 11 selling cigarettes [~~or~~], tobacco products, electronic smoking
 12 devices, or e-liquid to consumers and includes the sale of
 13 cigarettes [~~or~~], tobacco products, electronic smoking devices,
 14 or e-liquid through a vending machine."

15 6. By amending the definition of "retail tobacco permit"
 16 to read:

17 "Retail tobacco permit" means a permit granted under this
 18 chapter that authorizes an entity to engage in the business of
 19 selling cigarettes [~~and~~], tobacco products, electronic smoking
 20 devices, or e-liquids to consumers."

21 7. By amending the definition of "retailer" to read:



1 "Retailer" means an entity that engages in the practice of
2 selling cigarettes [~~or~~], tobacco products, electronic smoking
3 devices, or e-liquid to consumers and includes the owner of a
4 cigarette [~~or~~], tobacco product, electronic smoking device, or
5 e-liquid vending machine."

6 8. By amending the definition of "sale" or "sold" to read:

7 "Sale" or "sold" includes any delivery of cigarettes [~~or~~],
8 tobacco products, electronic smoking devices, or e-liquid,
9 whether cash is actually paid therefor or not."

10 9. By amending the definition of "wholesale price" to
11 read:

12 "Wholesale price", in addition to any other meaning of the
13 term, means in the case of a tax upon the use of tobacco
14 products, electronic smoking devices, or e-liquid, or upon a
15 sale not made at wholesale:

16 (1) If made by a person who during the month preceding the
17 accrual of the tax made substantial sales to retailers
18 of like tobacco products, electronic smoking devices,
19 or e-liquid, the average price of the sales[~~r~~]; and

20 (2) If made by any other person, the average price of
21 sales to retailers of like tobacco products,



1 electronic smoking devices, or e-liquid made by other
2 taxpayers in the same county during the month
3 preceding the accrual of the tax."

4 10. By amending the definition of "wholesaler" to read:

5 "Wholesaler" means a person rendering a distribution
6 service who buys and maintains, at the person's place of
7 business, a stock of cigarettes [e], tobacco products,
8 electronic smoking devices, or e-liquid that the person uses,
9 possesses, or distributes only to retailers, or other
10 wholesalers, or both."

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

13 "(b) The license shall be issued by the department upon
14 application therefor, in such form and manner as shall be
15 required by rule of the department, and the payment of a fee of
16 [~~\$250~~] \$250, and shall be renewable annually on July 1 for the
17 twelve months ending the succeeding June 30."

18 SECTION 4. Section 245-2.5, Hawaii Revised Statutes, is
19 amended as follows:

20 1. By amending subsections (a), (b), and (c) to read:



1 " (a) [~~Beginning December 1, 2006, every~~] Every retailer
2 engaged in the retail sale of cigarettes [~~and other~~], tobacco
3 products [~~upon which a tax is required to be paid under this~~
4 ~~chapter~~], electronic smoking devices, or e-liquid shall obtain a
5 retail tobacco permit.

6 (b) [~~Beginning March 1, 2007, it~~] It shall be unlawful for
7 any retailer engaged in the retail sale of cigarettes [~~and~~
8 ~~other~~], tobacco products [~~upon which a tax is required to be~~
9 ~~paid under this chapter~~], electronic smoking devices, or
10 e-liquid to sell, possess, keep, acquire, distribute, or
11 transport cigarettes [~~or other~~], tobacco products, electronic
12 smoking devices, or e-liquid for retail sale unless a retail
13 tobacco permit has been issued to the retailer under this
14 section and the retail tobacco permit is in full force and
15 effect.

16 (c) The retail tobacco permit shall be issued by the
17 department upon application by the retailer in the form and
18 manner prescribed by the department, and the payment of a fee of
19 [~~\$20.~~] \$50. Permits shall be valid for one year, from
20 December 1 to November 30, and renewable annually. Whenever a
21 retail tobacco permit is defaced, destroyed, or lost, or the



1 permittee relocates the permittee's business, the department may
2 issue a duplicate retail tobacco permit to the permittee for a
3 fee of \$5 per copy."

4 2. By amending subsection (e) to read:

5 "(e) Any entity that operates as a dealer or wholesaler
6 and also sells cigarettes [~~or other~~], tobacco products,
7 electronic smoking devices, or e-liquid to consumers at retail
8 shall acquire a separate retail tobacco permit."

9 3. By amending subsection (h) to read:

10 "(h) Any sales of cigarettes [~~or~~], tobacco products,
11 electronic smoking devices, or e-liquid made through a
12 [~~cigarette or tobacco product~~] vending machine are subject to
13 the terms, conditions, and penalties of this chapter. A retail
14 tobacco permit need not be displayed on [~~cigarette or tobacco~~
15 ~~product~~] a vending [~~machines~~] machine if the retail tobacco
16 permit holder is the owner of the [~~cigarette or tobacco product~~]
17 vending [~~machines~~] machine and the [~~cigarette or tobacco~~
18 ~~product~~] vending [~~machines are~~] machine is operated at the
19 location described in the retail tobacco permit."

20 4. By amending subsection (j) to read:



1 "(j) A vehicle from which cigarettes [~~or~~], tobacco
2 products [~~are~~], electronic smoking devices, or e-liquid is sold
3 is considered a place of business and requires a retail tobacco
4 permit. Retail tobacco permits for a vehicle shall be issued
5 bearing a specific motor vehicle identification number and are
6 valid only when physically carried in the vehicle having the
7 corresponding motor vehicle identification number. Retail
8 tobacco permits for vehicles shall not be moved from one vehicle
9 to another."

10 5. By amending subsection (1) to read:

11 "(1) A permittee shall keep a complete and accurate record
12 of the permittee's cigarette [~~or~~], tobacco product, electronic
13 smoking device, and e-liquid inventory. The records shall:

14 (1) Include:

15 (A) A written statement containing the name and
16 address of the permittee's source of its
17 cigarettes [~~and~~], tobacco products [~~+~~], electronic
18 smoking devices, and e-liquid;

19 (B) The date of delivery, quantity, trade name or
20 brand, and price of the cigarettes [~~and~~], tobacco



- 1 products[+], electronic smoking devices, and
2 e-liquid; and
- 3 (C) Documentation in the form of any purchase orders,
4 invoices, bills of lading, other written
5 statements, books, papers, or records in whatever
6 format, including electronic format, which
7 substantiate the purchase or acquisition of the
8 cigarettes [~~and~~], tobacco products, electronic
9 smoking devices, and e-liquid stored or offered
10 for sale; and
- 11 (2) Be offered for inspection and examination within
12 twenty-four hours of demand by the department or the
13 attorney general, and shall be preserved for a period
14 of three years; provided that:
- 15 (A) Specified records may be destroyed if the
16 department and the attorney general both consent
17 to their destruction within the three-year
18 period; and
- 19 (B) Either the department or the attorney general may
20 adopt rules pursuant to chapter 91 that require



1 specified records to be kept longer than a period
2 of three years."

3 6. By amending subsection (o) to read:

4 "(o) Any cigarette, package of cigarettes, carton of
5 cigarettes, container of cigarettes, tobacco product, package of
6 tobacco products, [~~or any~~] container of tobacco products,
7 electronic smoking device, package of electronic smoking
8 devices, container of electronic smoking devices, e-liquid,
9 package of e-liquid, or container of e-liquid unlawfully sold,
10 possessed, kept, stored, acquired, distributed, or transported
11 in violation of this section may be seized and ordered forfeited
12 pursuant to chapter 712A."

13 SECTION 5. Section 245-3, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

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

18 (1) An excise tax equal to 5.00 cents for each cigarette
19 sold, used, or possessed by a wholesaler or dealer
20 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



- 1 wholesale, or if not sold then at the same rate upon
2 the use by the wholesaler or dealer;
- 3 (6) An excise tax equal to 9.00 cents for each cigarette
4 sold, used, or possessed by a wholesaler or dealer on
5 and after September 30, 2007, 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 (7) An excise tax equal to 10.00 cents for each cigarette
9 sold, used, or possessed by a wholesaler or dealer on
10 and after September 30, 2008, whether or not sold at
11 wholesale, or if not sold then at the same rate upon
12 the use by the wholesaler or dealer;
- 13 (8) An excise tax equal to 13.00 cents for each cigarette
14 sold, used, or possessed by a wholesaler or dealer on
15 and after July 1, 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;
- 18 (9) An excise tax equal to 11.00 cents for each little
19 cigar sold, used, or possessed by a wholesaler or
20 dealer on and after October 1, 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 (10) An excise tax equal to 15.00 cents for each cigarette
4 or little cigar sold, used, or possessed by a
5 wholesaler or dealer on and after July 1, 2010,
6 whether or not sold at wholesale, or if not sold then
7 at the same rate upon the use by the wholesaler or
8 dealer;
- 9 (11) An excise tax equal to 16.00 cents for each cigarette
10 or little cigar sold, used, or possessed by a
11 wholesaler or dealer on and after July 1, 2011,
12 whether or not sold at wholesale, or if not sold then
13 at the same rate upon the use by the wholesaler or
14 dealer;
- 15 (12) An excise tax equal to seventy per cent of the
16 wholesale price of each article or item of tobacco
17 products, other than large cigars, sold by the
18 wholesaler or dealer on and after September 30, 2009,
19 whether or not sold at wholesale, or if not sold then
20 at the same rate upon the use by the wholesaler or
21 dealer; [~~and~~]



1 (13) An excise tax equal to fifty per cent of the wholesale
2 price of each large cigar of any length, sold, used,
3 or possessed by a wholesaler or dealer on and after
4 September 30, 2009, whether or not sold at wholesale,
5 or if not sold then at the same rate upon the use by
6 the wholesaler or dealer[-]; and

7 (14) An excise tax equal to per cent of the
8 wholesale price of e-liquid sold, used, or possessed
9 by a wholesaler or dealer on and after January 1,
10 2018, whether or not sold at wholesale, or if not sold
11 then at the same rate upon the use by the wholesaler
12 or dealer.

13 Where the tax imposed has been paid on cigarettes, little
14 cigars, [~~or~~] tobacco products, or e-liquid that thereafter
15 [~~become~~] becomes the subject of a casualty loss deduction
16 allowable under chapter 235, the tax paid shall be refunded or
17 credited to the account of the wholesaler or dealer. The tax
18 shall be applied to cigarettes through the use of stamps."

19 SECTION 6. Section 245-5, Hawaii Revised Statutes, is
20 amended to read as follows:



1 "§245-5 Returns. Every wholesaler or dealer, on or before
2 the twentieth day of each month, shall file with the department
3 a return showing the cigarettes [~~and~~], tobacco products,
4 electronic smoking devices, disposable electronic smoking
5 devices, reusable electronic smoking devices, and e-liquid sold,
6 possessed, or used by the wholesaler or dealer during the
7 preceding calendar month and of the taxes chargeable against the
8 taxpayer in accordance with this chapter. The form of the
9 return shall be prescribed by the department and shall include:

- 10 (1) A separate statement of the number and wholesale price
11 of cigarettes;
12 (2) The amount of stamps purchased and used;
13 (3) The wholesale price of tobacco products, sold,
14 possessed, or used; [~~and~~]
15 (4) The wholesale price of e-liquid sold, possessed, or
16 used; and
17 [~~(4)~~] (5) Any other information that the department may
18 deem necessary, for the proper administration of this
19 chapter."

20 SECTION 7. Section 245-8, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:



- 1 "(a) Each wholesaler or dealer shall keep a record of:
- 2 (1) Every sale or use of cigarettes [~~and~~], tobacco
- 3 products, electronic smoking devices, disposable
- 4 electronic smoking devices, reusable electronic
- 5 smoking devices, and e-liquid by the wholesaler or
- 6 dealer;
- 7 (2) The number and wholesale price of cigarettes;
- 8 (3) The wholesale price of tobacco products and e-liquid
- 9 sold, possessed, or used;
- 10 (4) The taxes payable on tobacco products and e-liquid
- 11 sold, possessed, or used, if any; and
- 12 (5) The amounts of stamps purchased and used,
- 13 in a form as the department may prescribe. The records shall be
- 14 offered for inspection and examination at any time upon demand
- 15 by the department or the attorney general, and shall be
- 16 preserved for a period of five years, except that the department
- 17 and the attorney general, in writing, shall both consent to
- 18 their destruction within the five-year period or either the
- 19 department or the attorney general may require that they be kept
- 20 longer. The department, by rule, may require the wholesaler or



1 dealer to keep other records as it may deem necessary for the
2 proper enforcement of this chapter."

3 SECTION 8. Section 245-9, Hawaii Revised Statutes, is
4 amended by amending subsections (a) and (b) to read as follows:

5 "(a) The department and the attorney general may examine
6 all records, including tax returns and reports under section
7 245-31, required to be kept or filed under this chapter, and
8 books, papers, and records of any person engaged in the business
9 of wholesaling or dealing cigarettes [~~and~~], tobacco products,
10 electronic smoking devices, and e-liquid, to verify the accuracy
11 of the payment of the taxes imposed by this chapter. Every
12 person in possession of any books, papers, and records, and the
13 person's agents and employees, are directed and required to give
14 the department and the attorney general the means, facilities,
15 and opportunities for the examinations.

16 (b) The department and the attorney general may inspect
17 the operations, premises, and storage areas of any entity
18 engaged in the sale of cigarettes, or the contents of a specific
19 vending machine, during regular business hours. This inspection
20 shall include inspection of all statements, books, papers, and
21 records in whatever format, including electronic format,



1 pertaining to the acquisition, possession, transportation, sale,
2 or use of packages of cigarettes [~~and~~], tobacco products other
3 than cigarettes, electronic smoking devices, and e-liquid, to
4 verify the accuracy of the payment of taxes imposed by this
5 chapter, and of the contents of cartons and shipping or storage
6 containers to ascertain that all individual packages of
7 cigarettes have an affixed stamp of proper denomination as
8 required by this chapter. This inspection may also verify that
9 all stamps were produced under the authority of the department.
10 Every entity in possession of any books, papers, and records,
11 and the entity's agents and employees, are directed and required
12 to give the department and the attorney general the means,
13 facilities, and opportunities for the examinations. For
14 purposes of this chapter "entity" means one or more individuals,
15 a company, corporation, a partnership, an association, or any
16 other type of legal entity."

17 SECTION 9. Section 245-31, Hawaii Revised Statutes, is
18 amended as follows:

19 1. By amending its title to read:



1 "§245-31 Monthly report on distributions of cigarettes
2 [and], tobacco products, electronic smoking devices, and e-
3 liquid and purchases of stamps."

4 2. By amending subsection (b) to read:

5 "(b) On or before the twentieth day of each month, every
6 licensee shall file on forms prescribed by the department:

7 (1) A report of the licensee's distributions of tobacco
8 products and the wholesale costs of tobacco products
9 during the preceding month; [and]

10 (2) A report of the licensee's distributions of electronic
11 smoking devices, disposable electronic smoking
12 devices, reusable electronic smoking devices, and
13 e-liquid and the wholesale costs of these products,
14 during the preceding month; and

15 ~~(2)~~ (3) Any other information that the department may
16 require to carry out this part."

17 SECTION 10. Section 245-32, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "~~[‡] §245-32 [‡]~~ Tax refund or credit for cigarettes ~~[and],~~
20 tobacco products, and e-liquid shipped for sale or use outside
21 the State. (a) The department shall adopt rules to provide a



1 tobacco tax refund or credit to a licensee who has paid a
2 tobacco tax on the distribution of cigarettes [~~or~~], tobacco
3 products, or e-liquid that are shipped to a point outside the
4 State for subsequent sale or use outside the State.

5 (b) This part shall not apply to cigarettes [~~or~~], tobacco
6 products, or e-liquid that are distributed in this State to
7 consumers and that are subsequently taken outside the State."

8 SECTION 11. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 12. This Act shall take effect on January 1, 2018.



Report Title:

Electronic Smoking Devices; E-liquid; Excise Tax; Retail Tobacco

Description:

Imposes an excise tax on e-liquid sold by a wholesaler or dealer. Requires retailers engaged in the retail sale of cigarettes, tobacco products, electronic smoking devices, or e-liquid to obtain a retail tobacco permit. Increases the license fee for wholesalers or dealers of these products. Increases the retail tobacco permit fee for retailers of these products. Effective January 1, 2018. (HB246 HD1)

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

