A BILL FOR AN ACT

RELATING TO DEPARTMENT OF TAXATION FEES.

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

SECTION 1. Section 243-3, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) Permits to retail dealers shall be issued on an annual basis and shall expire at the end of each calendar year. [A fee of $5 shall be charged] The department may adopt by rule pursuant to chapter 91 a reasonable fee to be charged for each permit or renewal thereof. Permits shall be numbered and each certificate made by a retail dealer holding a permit shall bear the same identifying number as the permit which the retail dealer holds."

SECTION 2. Section 244D-2, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

"(b) The liquor commission shall certify to the department of taxation from time to time and within forty-eight hours after such license is issued the name of every dealer, together with the dealer's place of business and the period covered by the dealer's license. The department thereupon shall issue its permit to such person for the period covered by the person's
license [upon the payment of a permit fee of $2.50] and may adopt by rule pursuant to chapter 91 a reasonable fee to be charged to issue the permit. The permit shall be issued by the department as of the date when the liquor commission issued the license.

(c) Any permit issued under this chapter shall not be assignable; it shall be conspicuously displayed on the licensed premises of the permittee; it shall expire on June 30 next succeeding the date upon which it is issued, unless sooner suspended, surrendered, or revoked for cause by the department; and it shall be renewed annually before July 1, upon fulfillment of all requirements as in the case of an original permit and the payment of [a renewal fee of $2.50] any reasonable fee adopted by rule pursuant to chapter 91 to be charged to issue the permit. Whenever a permit is defaced, destroyed, or lost, or the licensed premises are relocated, the department may issue a duplicate permit to the permittee [upon the payment of a fee of 50-cents], but may adopt by rule pursuant to chapter 91 a reasonable fee to be charged for the duplicate and not to exceed the fee required under subsection (b)."

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

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"(b) The license shall be issued by the department upon application therefor, in such form and manner as shall be required by rule of the department, [and the payment of a fee of $2.50] and shall be renewable annually on July 1 for the twelve months ending the succeeding June 30. The department may adopt by rule pursuant to chapter 91 a reasonable fee to be charged for the permit."

SECTION 4. Section 245-2.5, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) The retail tobacco permit shall be issued by the department upon application by the retailer in the form and manner prescribed by the department, and the [payment of a fee of $20] department may adopt by rule pursuant to chapter 91 a reasonable fee to be charged for the permit. Permits shall be valid for one year, from December 1 to November 30, and renewable annually. Whenever a retail tobacco permit is defaced, destroyed, or lost, or the permittee relocates the permittee's business, the department may issue a duplicate retail tobacco permit to the permittee [for a fee of $5 per copy], but may adopt by rule pursuant to chapter 91 a reasonable fee to be charged for the duplicate and not to exceed the fee required for the initial permit."
SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval; provided that section 1 shall take effect on January 1, 2020, sections 2 and 3 shall take effect on July 1, 2020, and section 4 shall take effect on December 1, 2020.

INTRODUCED BY: ____________________

BY REQUEST
JAN 22 2019
Report Title:
Fees for Fuel Tax, Liquor Tax, and Cigarette and Tobacco Tax

Description:
Changes the fees for permits and licenses issued under chapters 243, 244D and 245, Hawaii Revised Statutes, from specified amounts to reasonable fees established by rule adopted by the Department of Taxation.

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

TITLE: A BILL FOR AN ACT RELATING TO FEES FOR LICENSES AND PERMITS.

PURPOSE: Changes the fees for permits and licenses issued under chapters 243, 244D and 245, HRS, from specified amounts to reasonable fees determined by administrative rule.

MEANS: Amends sections 243-3(d), 244D-2(b) and (c), 245-2(b), and 245-2.5(c), HRS.

JUSTIFICATION: The fees charged for issuance of permits and licenses under chapters 243, 244D, and 245, HRS, are not adequate to cover the cost of the service being provided to the taxpayers. This bill allows the Department of Taxation (Department) to increase these fees to reasonable amounts or to discontinue the fees entirely.

Impact on the public: Persons seeking permits or licenses under chapters 243, 244D, or 245 may owe different fees.

Impact on the department and other agencies: The Department will not be required to collect and account for nominal fees and will be able to charge amounts that are reasonable compared to the service being provided.

GENERAL FUND: None.

OTHER FUNDS: None.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Section 1 is effective January 1, 2020. Sections 2 and 3 are effective July 1, 2020. Section 4 is effective December 1, 2020.