A BILL FOR AN ACT
RELATING TO TAXATION.

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

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

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

(1) An excise tax equal to [5.00] 5 cents for each cigarette sold, used, or possessed by a wholesaler or dealer after June 30, 1998, whether or not sold at wholesale, or if not sold then at the same rate upon the use by the wholesaler or dealer;

(2) An excise tax equal to [6.00] 6 cents for each cigarette sold, used, or possessed by a wholesaler or dealer after September 30, 2002, whether or not sold at wholesale, or if not sold then at the same rate upon the use by the wholesaler or dealer;

(3) An excise tax equal to [6.50] 6.5 cents for each cigarette sold, used, or possessed by a wholesaler or dealer.
dealer after June 30, 2003, whether or not sold at
wholesale, or if not sold then at the same rate upon
the use by the wholesaler or dealer;

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

(5) An excise tax equal to [8.00] 8 cents for each
cigarette sold, used, or possessed by a wholesaler or
dealer on and after September 30, 2006, whether or not
sold at wholesale, or if not sold then at the same
rate upon the use by the wholesaler or dealer;

(6) An excise tax equal to [9.00] 9 cents for each
cigarette sold, used, or possessed by a wholesaler or
dealer on and after September 30, 2007, whether or not
sold at wholesale, or if not sold then at the same
rate upon the use by the wholesaler or dealer;

(7) An excise tax equal to [10.00] 10 cents for each
cigarette sold, used, or possessed by a wholesaler or
dealer on and after September 30, 2008, whether or not
sold at wholesale, or if not sold then at the same rate upon the use by the wholesaler or dealer;

(8) An excise tax equal to [13.00] 13 cents for each cigarette sold, used, or possessed by a wholesaler or dealer on and after July 1, 2009, whether or not sold at wholesale, or if not sold then at the same rate upon the use by the wholesaler or dealer;

(9) An excise tax equal to [11.00] 11 cents for each little cigar sold, used, or possessed by a wholesaler or dealer on and after October 1, 2009, whether or not sold at wholesale, or if not sold then at the same rate upon the use by the wholesaler or dealer;

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

(11) An excise tax equal to [16.00] 16 cents for each cigarette or little cigar sold, used, or possessed by a wholesaler or dealer on and after July 1, 2011,
whether or not sold at wholesale, or if not sold then
at the same rate upon the use by the wholesaler or
dealer;

(12) An excise tax equal to seventy per cent of the
wholesale price of each article or item of tobacco
products, other than large cigars, sold by the
wholesaler or dealer on and after September 30, 2009,
whether or not sold at wholesale, or if not sold then
at the same rate upon the use by the wholesaler or
dealer; [and]

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

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

(A) ______ cents for each large cigar of any length;

or

(B) ______ per cent of the wholesale price of each
large cigar of any length,
sold, used, or possessed by a wholesaler or dealer on
and after July 1, 2020, whether or not sold at
wholesale, or if not sold then at the same rate upon
the use by the wholesaler or dealer.
Where the tax imposed has been paid on cigarettes, little
cigars, or tobacco products that thereafter become the subject
of a casualty loss deduction allowable under chapter 235, the
tax paid shall be refunded or credited to the account of the
wholesaler or dealer. The tax shall be applied to cigarettes
through the use of stamps."

SECTION 2. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.
SECTION 3. This Act shall take effect on July 1, 2050.
Report Title:
Taxation; Excise Tax; Large Cigars

Description:
Amends the excise tax rate on large cigars. Effective 7/1/2050. (SD1)

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