

JAN 25 2012

A BILL FOR AN ACT

RELATING TO HEALTH.

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
18 after June 30, 2003, 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 (4) An excise tax equal to 7.00 cents for each cigarette
4 sold, used, or possessed by a wholesaler or dealer
5 after June 30, 2004, whether or not sold at wholesale,
6 or if not sold then at the same rate upon the use by
7 the wholesaler or dealer;

8 (5) An excise tax equal to 8.00 cents for each cigarette
9 sold, used, or possessed by a wholesaler or dealer on
10 and after September 30, 2006, 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 (6) An excise tax equal to 9.00 cents for each cigarette
14 sold, used, or possessed by a wholesaler or dealer on
15 and after September 30, 2007, 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 (7) An excise tax equal to 10.00 cents for each cigarette
19 sold, used, or possessed by a wholesaler or dealer on
20 and after September 30, 2008, whether or not sold at
21 wholesale, or if not sold then at the same rate upon
22 the use by the wholesaler or dealer;



- 1 (8) An excise tax equal to 13.00 cents for each cigarette
2 sold, used, or possessed by a wholesaler or dealer on
3 and after July 1, 2009, whether or not sold at
4 wholesale, or if not sold then at the same rate upon
5 the use by the wholesaler or dealer;
- 6 (9) An excise tax equal to 11.00 cents for each little
7 cigar sold, used, or possessed by a wholesaler or
8 dealer on and after October 1, 2009, whether or not
9 sold at wholesale, or if not sold then at the same
10 rate upon the use by the wholesaler or dealer;
- 11 (10) An excise tax equal to 15.00 cents for each cigarette
12 or little cigar sold, used, or possessed by a
13 wholesaler or dealer on and after July 1, 2010,
14 whether or not sold at wholesale, or if not sold then
15 at the same rate upon the use by the wholesaler or
16 dealer;
- 17 (11) An excise tax equal to 16.00 cents for each cigarette
18 or little cigar sold, used, or possessed by a
19 wholesaler or dealer on and after July 1, 2011,
20 whether or not sold at wholesale, or if not sold then
21 at the same rate upon the use by the wholesaler or
22 dealer;



1 (12) An excise tax equal to cents for each cigarette or
2 little cigar sold, used, or possessed by a wholesaler
3 or dealer on and after July 1, 2012, whether or not
4 sold at wholesale, or if not sold then at the same
5 rate upon the use by the wholesaler or dealer;

6 [~~(12)~~] (13) An excise tax equal to seventy per cent of the
7 wholesale price of each article or item of tobacco
8 products, other than large cigars, sold by the
9 wholesaler or dealer on and after September 30, 2009,
10 whether or not sold at wholesale, or if not sold then
11 at the same rate upon the use by the wholesaler or
12 dealer; and

13 [~~(13)~~] (14) An excise tax equal to fifty per cent of the
14 wholesale price of each large cigar of any length,
15 sold, used, or possessed by a wholesaler or dealer on
16 and after September 30, 2009, 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 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
22 tax paid shall be refunded or credited to the account of the



1 wholesaler or dealer. The tax shall be applied to cigarettes
2 through the use of stamps."

3 SECTION 2. Section 245-15, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§245-15 Disposition of revenues.** All moneys collected
6 pursuant to this chapter shall be paid into the state treasury
7 as state realizations to be kept and accounted for as provided
8 by law; provided that, of the moneys collected under the tax
9 imposed pursuant to:

10 (1) Section 245-3(a)(5), after September 30, 2006, and
11 prior to October 1, 2007, 1.0 cent per cigarette shall
12 be deposited to the credit of the Hawaii cancer
13 research special fund, established pursuant to section
14 304A-2168, for research and operating expenses and for
15 capital expenditures;

16 (2) Section 245-3(a)(6), after September 30, 2007, and
17 prior to October 1, 2008:

18 (A) 1.5 cents per cigarette shall be deposited to the
19 credit of the Hawaii cancer research special
20 fund, established pursuant to section 304A-2168,
21 for research and operating expenses and for
22 capital expenditures;



- 1 (B) 0.25 cents per cigarette shall be deposited to
- 2 the credit of the trauma system special fund
- 3 established pursuant to section 321-22.5; and
- 4 (C) 0.25 cents per cigarette shall be deposited to
- 5 the credit of the emergency medical services
- 6 special fund established pursuant to section
- 7 321-234;
- 8 (3) Section 245-3(a)(7), after September 30, 2008, and
- 9 prior to July 1, 2009:
- 10 (A) 2.0 cents per cigarette shall be deposited to the
- 11 credit of the Hawaii cancer research special
- 12 fund, established pursuant to section 304A-2168,
- 13 for research and operating expenses and for
- 14 capital expenditures;
- 15 (B) 0.5 cents per cigarette shall be deposited to the
- 16 credit of the trauma system special fund
- 17 established pursuant to section 321-22.5;
- 18 (C) 0.25 cents per cigarette shall be deposited to
- 19 the credit of the community health centers
- 20 special fund established pursuant to section
- 21 321-1.65; and



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1 (D) 0.25 cents per cigarette shall be deposited to
2 the credit of the emergency medical services
3 special fund established pursuant to section
4 321-234;

5 (4) Section 245-3(a)(8), after June 30, 2009, and prior to
6 July 1, 2013:

7 (A) 2.0 cents per cigarette shall be deposited to the
8 credit of the Hawaii cancer research special
9 fund, established pursuant to section 304A-2168,
10 for research and operating expenses and for
11 capital expenditures;

12 (B) 0.75 cents per cigarette shall be deposited to
13 the credit of the trauma system special fund
14 established pursuant to section 321-22.5;

15 (C) 0.75 cents per cigarette shall be deposited to
16 the credit of the community health centers
17 special fund established pursuant to section
18 321-1.65; and

19 (D) 0.5 cents per cigarette shall be deposited to the
20 credit of the emergency medical services special
21 fund established pursuant to section 321-234; and



1 (5) Section [~~245-3(a)(11)~~], 245-3(a)(12), after June 30,
2 2013, and thereafter:

3 (A) 2.0 cents per cigarette shall be deposited to the
4 credit of the Hawaii cancer research special
5 fund, established pursuant to section 304A-2168,
6 for research and operating expenses and for
7 capital expenditures;

8 (B) [~~1.5~~] _____ cents per cigarette shall be deposited
9 to the credit of the trauma system special fund
10 established pursuant to section 321-22.5;

11 (C) [~~1.25~~] _____ cents per cigarette shall be
12 deposited to the credit of the community health
13 centers special fund established pursuant to
14 section 321-1.65; and

15 (D) 1.25 cents per cigarette shall be deposited to
16 the credit of the emergency medical services
17 special fund established pursuant to section
18 321-234.

19 The department shall provide an annual accounting of these
20 dispositions to the legislature."

21 SECTION 3. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.



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1 SECTION 4. This Act shall take effect on July 1, 2012.

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INTRODUCED BY: John Lee

Clarence W. Nishikawa
Sharon Chun Oakland

Rosely & Bob



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Report Title:
Cigarette Tax

Description:
Increases the excise tax on cigarettes and small cigars.

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