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## 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  
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 seventy per cent of the  
2           wholesale price of each article or item of tobacco  
3           products, other than large cigars, sold by the  
4           wholesaler or dealer on and after September 30, 2009,  
5           whether or not sold at wholesale, or if not sold then  
6           at the same rate upon the use by the wholesaler or  
7           dealer; and

8           (13) An excise tax equal to [~~fifty~~] the lesser of:

9           (A) Fifty cents for each large cigar; or

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

11          of each large cigar of any length, sold, used, or  
12          possessed by a wholesaler or dealer on and after  
13          ~~[September 30, 2009,]~~ July 1, 2014, whether or not  
14          sold at wholesale, or if not sold then at the same  
15          rate upon the use by the wholesaler or dealer.

16          Where the tax imposed has been paid on cigarettes, little  
17          cigars, or tobacco products that thereafter become the subject  
18          of a casualty loss deduction allowable under chapter 235, the  
19          tax paid shall be refunded or credited to the account of the  
20          wholesaler or dealer. The tax shall be applied to cigarettes  
21          through the use of stamps."



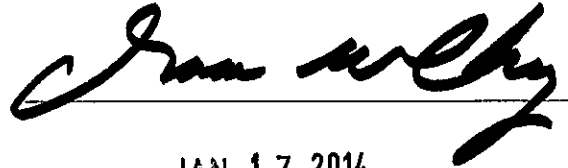
# H.B. NO. 1849

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 Statutory material to be repealed is bracketed  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

3 SECTION 3. This Act shall take effect on July 1, 2014.

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INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Jon W. Elby", written over a horizontal line.

JAN 17 2014



# H.B. NO. 1849

**Report Title:**

Cigars; Tax

**Description:**

Changes the tax rate on sales of large cigars.

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

