
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) _____ cents for each large cigar; or
10 (B) _____ per cent of the wholesale price of each
11 large cigar,
12 of any length, sold, used, or possessed by a
13 wholesaler or dealer on and after [~~September 30,~~
14 ~~2009,~~] July 1, 2014, whether or not sold at wholesale,
15 or if not sold then at the same rate upon the use by
16 the wholesaler or dealer.

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



1 SECTION 2. Section 328J-1, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read:

4 "Premium cigar" means a cigar that is made entirely by
5 hand of all natural tobacco leaf, hand-constructed and hand-
6 wrapped, with no filter or artificial flavors, wholesaling for
7 \$2 or more per cigar, and weighing more than four pounds per one
8 thousand cigars, and shall be exempt from section 328J-18."

9 SECTION 3. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2030;
12 provided that section 2 shall be repealed on July 1, 2018.



Report Title:

Cigars; Tax

Description:

Changes the tax rate on large cigars. Adds a definition of premium cigar until July 1, 2018. Effective July 1, 2030.
(SD1)

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