
A BILL FOR AN ACT

RELATING TO ENERGY.

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

1 SECTION 1. Section 243-1, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 "Power-generating facility" means any electricity-
5 generating facility that requires a permit issued under the
6 Federal Clean Air Act (42 U.S.C. 7401 through 7671g), the Hawaii
7 air pollution control law (chapter 342B), or both."

8 SECTION 2. Section 243-4, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) Every distributor shall, in addition to any other
11 taxes provided by law, pay a license tax to the department of
12 taxation for each gallon of liquid fuel refined, manufactured,
13 produced, or compounded by the distributor and sold or used by
14 the distributor in the State or imported by the distributor, or
15 acquired by the distributor from persons who are not licensed
16 distributors, and sold or used by the distributor in the State.
17 Any person who sells or uses any liquid fuel, knowing that the
18 distributor from whom it was originally purchased has not paid



1 and is not paying the tax thereon, shall pay such tax as would
2 have applied to such sale or use by the distributor. The rates
3 of tax [hereby] imposed are as follows:

4 (1) For each gallon of diesel oil, 1 cent;

5 (2) For each gallon of gasoline or other aviation fuel
6 sold for use in or used for airplanes, 1 cent;

7 (3) For each gallon of naphtha sold for use in a power-
8 generating facility, 2 cents;

9 ~~[(3)]~~ (4) For each gallon of liquid fuel other than fuel
10 mentioned in paragraphs (1) ~~[and]~~, (2), and (3), and
11 other than an alternative fuel, sold or used in the
12 city and county of Honolulu, or sold in any county for
13 ultimate use in the city and county of Honolulu, 16
14 cents state tax, and in addition ~~[thereto such]~~, an
15 amount, to be known as the "city and county of
16 Honolulu fuel tax", as shall be levied pursuant to
17 section 243-5;

18 ~~[(4)]~~ (5) For each gallon of liquid fuel other than fuel
19 mentioned in paragraphs (1) ~~[and]~~, (2), and (3), and
20 other than an alternative fuel, sold or used in the
21 county of Hawaii, or sold in any county for ultimate



1 use in the county of Hawaii, 16 cents state tax, and
2 in addition [~~thereto-such~~] an amount, to be known as
3 the "county of Hawaii fuel tax", as shall be levied
4 pursuant to section 243-5;

5 [~~+5~~] (6) For each gallon of liquid fuel, other than fuel
6 mentioned in paragraphs (1) [~~and~~], (2), and (3), and
7 other than an alternative fuel, sold or used in the
8 county of Maui, or sold in any county for ultimate use
9 in the county of Maui, 16 cents state tax, and in
10 addition [~~thereto-such~~] an amount, to be known as the
11 "county of Maui fuel tax", as shall be levied pursuant
12 to section 243-5; and

13 [~~+6~~] (7) For each gallon of liquid fuel, other than fuel
14 mentioned in paragraphs (1) [~~and~~], (2), and (3), and
15 other than an alternative fuel, sold or used in the
16 county of Kauai, or sold in any county for ultimate
17 use in the county of Kauai, 16 cents state tax, and in
18 addition [~~thereto-such~~] an amount, to be known as the
19 "county of Kauai fuel tax", as shall be levied
20 pursuant to section 243-5.



1 If it is shown to the satisfaction of the department, based
2 upon proper records and from [~~such~~] any other evidence as the
3 department may require, that liquid fuel, other than fuel
4 mentioned in paragraphs (1) [~~and~~], (2), and (3), is used for
5 agricultural equipment that does not operate upon the public
6 highways of the State, the user thereof may obtain a refund of
7 all taxes thereon imposed by this section in excess of 1 cent
8 per gallon. The department shall adopt rules to administer such
9 refunds."

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

12 SECTION 4. This Act shall take effect upon its approval;
13 provided that section 2 shall take effect retroactive to
14 January 1, 2016.

15



Report Title:

Electric Power Generation; Fuel Tax Rate

Description:

Restores the amendments made to sections 243-1 and 243-4(a), HRS, which sunsetted on December 31, 2015. Clarifies that naphtha fuel, used in a power-generating facility, is subject to the fuel tax at a rate of 2 cents per gallon, retroactive to January 1, 2016. (SD1)

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

