



GOV. MSG. NO. 548

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

May 11, 2010

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on May 11, 2010, the following bill was signed into law:

SB1230 SD2 HD1 CD1

A BILL FOR AN ACT
RELATING TO TAXATION.
ACT 090 (10)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

on MAY 11 2010

THE SENATE
TWENTY-FIFTH LEGISLATURE, 2009
STATE OF HAWAII

ACT 090

S.B. NO. 1230
S.D. 2
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The purpose of this Act is to:

2 (1) Provide a new definition for "large cigars" and
3 include large cigars in the definition of "tobacco
4 products";

5 (2) Amend the current definition of "little cigars" to a
6 definition that is more appropriate to these products;
7 and

8 (3) Limit to large cigars the general excise tax on the
9 wholesale price of each cigar sold, used, or possessed
10 by a wholesaler or dealer.

11 SECTION 2. Section 245-1, Hawaii Revised Statutes, is
12 amended as follows:

13 1. By adding a new definition to be appropriately
14 inserted and to read:

15 "Large cigar" means any roll for smoking made wholly or in
16 part of tobacco if such product is wrapped in any substance



1 containing tobacco and weighs more than four pounds per
2 thousand."

3 2. By amending the definitions of "little cigar" and
4 "tobacco products" to read:

5 "Little cigar" means any roll for smoking made wholly or
6 in part of tobacco if such product is wrapped in any substance
7 containing tobacco, [~~with a ring gauge of less than thirty (less~~
8 ~~than .467 inches in diameter), of any length.] other than
9 natural leaf tobacco, and weighs not more than four pounds per
10 thousand rolls.~~

11 "Tobacco products" means tobacco in any form, other than
12 cigarettes or little cigars, that is prepared or intended for
13 consumption or for personal use by humans, including large
14 cigars and any substitutes thereof other than cigarettes that
15 bear the semblance thereof, snuff, chewing or smokeless tobacco,
16 and smoking or pipe tobacco."

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

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



- 1 (1) An excise tax equal to 5.00 cents for each cigarette
2 sold, used, or possessed by a wholesaler or dealer
3 after June 30, 1998, whether or not sold at wholesale,
4 or if not sold then at the same rate upon the use by
5 the wholesaler or dealer;
- 6 (2) An excise tax equal to 6.00 cents for each cigarette
7 sold, used, or possessed by a wholesaler or dealer
8 after September 30, 2002, whether or not sold at
9 wholesale, or if not sold then at the same rate upon
10 the use by the wholesaler or dealer;
- 11 (3) An excise tax equal to 6.50 cents for each cigarette
12 sold, used, or possessed by a wholesaler or dealer
13 after June 30, 2003, whether or not sold at wholesale,
14 or if not sold then at the same rate upon the use by
15 the wholesaler or dealer;
- 16 (4) An excise tax equal to 7.00 cents for each cigarette
17 sold, used, or possessed by a wholesaler or dealer
18 after June 30, 2004, whether or not sold at wholesale,
19 or if not sold then at the same rate upon the use by
20 the wholesaler or dealer;
- 21 (5) An excise tax equal to 8.00 cents for each cigarette
22 sold, used, or possessed by a wholesaler or dealer on



1 and after September 30, 2006, whether or not sold at
2 wholesale, or if not sold then at the same rate upon
3 the use by the wholesaler or dealer;

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

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

14 (8) An excise tax equal to 13.00 cents for each cigarette
15 sold, used, or possessed by a wholesaler or dealer on
16 and after July 1, 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 (9) An excise tax equal to 11.00 cents for each little
20 cigar sold, used, or possessed by a wholesaler or
21 dealer on and after October 1, 2009, whether or not



1 sold at wholesale, or if not sold then at the same
2 rate upon the use by the wholesaler or dealer;

3 (10) An excise tax equal to 14.00 cents for each cigarette
4 or little cigar sold, used, or possessed by a
5 wholesaler or dealer on and after July 1, 2010,
6 whether or not sold at wholesale, or if not sold then
7 at the same rate upon the use by the wholesaler or
8 dealer;

9 (11) An excise tax equal to 15.00 cents for each cigarette
10 or little cigar sold, used, or possessed by a
11 wholesaler or dealer on and after July 1, 2011,
12 whether or not sold at wholesale, or if not sold then
13 at the same rate upon the use by the wholesaler or
14 dealer;

15 (12) ~~[Except as provided in paragraph (13), an]~~ An excise
16 tax equal to seventy per cent of the wholesale price
17 of each article or item of tobacco products, other
18 than large cigars, sold by the wholesaler or dealer on
19 and after September 30, 2009, whether or not sold at
20 wholesale, or if not sold then at the same rate upon
21 the use by the wholesaler or dealer; and



1 (13) An excise tax equal to fifty per cent of the wholesale
2 price of each large cigar [~~with a ring gauge of thirty~~
3 ~~or more (.467 inches in diameter or more),~~] of any
4 length, sold, used, or possessed by a wholesaler or
5 dealer on and after September 30, 2009, whether or not
6 sold at wholesale, or if not sold then at the same
7 rate upon the use by the wholesaler or dealer.

8 Where the tax imposed has been paid on cigarettes, little
9 cigars, or tobacco products that thereafter become the subject
10 of a casualty loss deduction allowable under chapter 235, the
11 tax paid shall be refunded or credited to the account of the
12 wholesaler or dealer. The tax shall be applied to cigarettes
13 through the use of stamps."

14 SECTION 4. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 5. This Act shall take effect on July 1, 2010.
17

APPROVED this 11 day of MAY, 2010


GOVERNOR OF THE STATE OF HAWAII