H.B. NO. 560

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A BILL FOR AN ACT

RELATING TO VETERANS SERVICES.

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

1 SECTION 1. The legislature finds that more members of the 2 Hawaii national guard have been activated for federal service 3 and deployed for combat duty in Afghanistan and Iraq than at any point in Hawaii's history. When the drawdown American troops 4 stationed in those countries finally occurs, thousands of active 5 6 and reserve component veterans from Hawaii will return home. 7 Many of these veterans will need medical care for physical 8 injuries and psychological trauma. The legislature further 9 finds that many members and former members of the Hawaii 10 national guard will find themselves ineligible for benefits from 11 the United States Department of Veterans Affairs. Without this 12 federal assistance, the responsibility for providing medical 13 care and other medical support services will be left to the 14 State.

15 The legislature notes that the State's health and social 16 services systems are already overburdened, providing for the 17 needs of the general public, and moneys available from the

18 general fund to provide additional services for the influx of
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veterans will be limited. Therefore, the legislature finds that 1 it is appropriate to create a special funding mechanism to 2 3 provide for the additional medical needs of these veterans. The legislature further finds that an additional tax on the sale and 4 5 distribution of liquor is an appropriate method for providing 6 the necessary funds to care for Hawaii's returning veterans who 7 need medical and psychological care. Accordingly, the purpose 8 of this Act is to create the veterans' services special fund, to 9 be funded by a veterans' services tax on liquor.

10 SECTION 2. Chapter 244D, Hawaii Revised Statutes, is 11 amended by adding a new section to be appropriately designated 12 and to read as follows:

13 "§244D- Veterans' services tax; disposition of

14 revenues. (a) In addition to any other taxes provided by law,

15 every person who sells or uses any liquor in the State who is

16 subject to a gallonage tax under chapter 244D, shall pay a

17 veterans' services tax which is hereby imposed at the following

18 rates for the various liquor categories defined in section

- **19** 244D-1:
- 20 (1) per wine gallon on distilled spirits;
- 21 (2) per wine gallon on sparkling wine;
- 22 (3) per wine gallon on still wine;



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1	<pre>(4) per wine gallon on cooler beverages;</pre>	
2	(5) per wine gallon on beer other than draft beer;	
3	(6) per wine gallon on draft beer;	
4	and at a proportionate rate for any other quantity so sold or	
5	used.	
6	(b) All moneys collected pursuant to this section shall be	
7	deposited to the credit of the veterans' services special fund,	
8	established pursuant to section 363	
9	(c) The department shall provide an annual accounting of	
10	these dispositions to the legislature."	
11	SECTION 3. Chapter 363, Hawaii Revised Statutes, is	
12	amended by adding a new section to be appropriately designated	
13	and to read as follows:	
14	" <u>§363-</u> Veterans' services special fund; use of funds.	
15	(a) There is established in the state treasury the veterans'	
16	services special fund, into which shall be deposited revenue	
17	from the veterans' services tax pursuant to section 244D	
18	(b) Moneys in the veterans' services special fund shall be	
19	used for the provision of medical support services for veterans	
20	who:	
21	(1) Are residents of Hawaii;	

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1	(2)	Served on active duty in federal service with the	
2		Hawaii national guard; and	
3	(3)	Are ineligible for medical support services benefits	
4		from the United States Department of Veterans Affairs.	
5	(C)	The veterans' services special fund shall be	
6	administe	red by the director of the office of veterans'	
7	services;	provided that:	
8	(1)	The director shall cooperate with the department of	
9		human services, the state department of defense, and	
10		the department of health on program development and	
11		disbursement of moneys in the fund; and	
12	(2)	No programs shall be developed or moneys disbursed in	
13		a manner that precludes qualified veterans from	
14		receiving benefits or assistance from the United	
15		States Department of Veterans Affairs.	
16	(d)	The director shall adopt rules, pursuant to chapter	
17	<u>91, for t</u>	he purposes of this section."	
18	SECT	ION 4. New statutory material is underscored.	
19	SECT	ION 5. This Act shall take effect on July 1, 2009.	
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		INTRODUCED BY:	
	HE LEB 09-1105-1, dog the B. Berg (indy Evans Mele Carroll (indy Evans)		
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Report Title:

Veterans Services; Liquor Taxation

Description:

Establishes the veterans' services special fund to provide medical support services to Hawaii veterans. Establishes a veterans' service tax on liquor and deposits the revenue into the veterans' services special fund.

