H.B. NO. [123

A BILL FOR AN ACT

RELATING TO LIQUOR TAX LAW.

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

1	SECTION 1. Chapter 244D, Hawaii Revised Statutes, is		
2	amended by adding a new section to be appropriately designated		
3	and to read as follows:		
4	" <u>S244D-</u> Small breweries and brewpubs; tax. Every small		
5	brewery or brewpub that brews or produces beer in the State		
6	shall pay a gallonage tax of \$0.23 per gallon of beer on the		
7	first sixty thousand barrels of beer brewed or produced during		
8	the taxable year. Beer produced after the first sixty thousand		
9	barrels during a taxable year shall be taxed under section 244D-		
10	<u>4(a).</u> "		
11	SECTION 2. Section 244D-1, Hawaii Revised Statutes, is		
12	amended by adding two new definitions to be appropriately		
13	inserted and to read as follows:		
14	""Barrel" means a barrel containing not more that thirty-		
15	one gallons or wine gallons of liquor."		
16	""Small brewery or brewpub" means a brewery or brewpub that		
17	brews or produces not more than two million barrels of beer per		
18	taxable year."		



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1	SECT	ION 3. Section 244D-4, Hawaii Revised Statutes, is	
2	amended by amending subsection (b) to read as follows:		
3	"(b)	The tax levied pursuant to subsection (a) shall be	
4	paid only	once upon the same liquor; provided further that the	
5	tax shall	not apply to:	
6	(1)	Liquor held for sale by a permittee but not yet sold;	
7	(2)	Liquor sold by one permittee to another permittee;	
8	(3)	Liquor which under the Constitution and laws of the	
9		United States cannot be legally subjected to the tax	
10		imposed by this chapter so long as and to the extent	
11		to which the State is without power to impose the tax;	
12	(4)	Liquor sold for sacramental purposes or the use of	
13		liquor for sacramental purposes, or any liquor	
14		imported pursuant to section 281-33;	
15	(5)	Alcohol sold pursuant to section 281-37 to a person	
16		holding a purchase permit or prescription therefor, or	
17		any sale or use of alcohol, so purchased, for other	
18		than beverage purposes [-]; and	
19	(6)	Beer or draft beer that is brewed or produced in the	
20		State by a small brewery or brewpub, except as	
21		provided under section 244D"	



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SECTION 4. Section 244D-6, Hawaii Revised Statutes, is
 amended to read as follows:

"§244D-6 Return, form, contents. Every taxpayer shall, on 3 or before the twentieth day of each month, file with the 4 department of taxation in the taxation district in which the 5 taxpayer's business premises are located, or with the department 6 in Honolulu, a return showing all sales of liquor by gallonage 7 8 and dollar volume in each liquor category defined in section 244D-1 and taxed under section 244D-4(a) or 244D- made by the 9 taxpayer during the preceding month, showing separately the 10 amount of the nontaxable sales, and the amount of the taxable 11 sales, and the tax payable thereon. The return shall also show 12 the amount of liquor by gallonage and dollar volume in each 13 liquor category defined in section 244D-1 and taxed under 14 section 244D-4(a) or 244D- used during the preceding month 15 which is subject to tax, and the tax payable thereon. The form 16 of return shall be prescribed by the department and shall 17 18 contain such information as it may deem necessary for the proper administration of this chapter." 19

20 SECTION 5. Section 244D-9, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:



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"§244D-9 Records to be kept. (a) Every dealer shall keep 1 2 a record of all sales of liquor by gallonage and dollar volume in each liquor category defined in section 244D-1 and taxed 3 under section 244D-4(a) or 244D- made by the dealer, in such 4 5 form as the department of taxation may prescribe. Every person 6 holding a license under the liquor law, other than a manufacturer's or wholesaler's license, shall keep a record of 7 all purchases by the person of liquor by gallonage and dollar 8 volume in each liquor category defined in section 244D-1 and 9 taxed under section 244D-4(a), in such form as the department 10 may prescribe. All such records shall be offered for inspection 11 and examination at any time upon demand by the department or 12 13 commission and shall be preserved for a period of five years, except that the department may in writing consent to their 14 15 destruction within such period or may require that they be kept 16 longer.

17 The department may, by rule, require the dealer to keep 18 such other records as it may deem necessary for the proper 19 enforcement of this chapter."

20 SECTION 6. Statutory material to be repealed is bracketed
 21 and stricken. New statutory material is underscored.



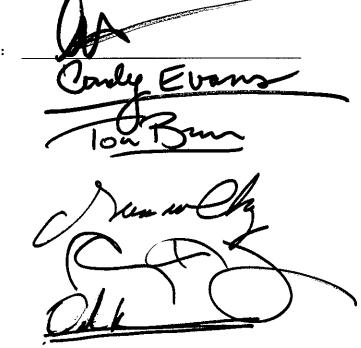
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1 SECTION 7. This Act, upon its approval, shall apply to

2 taxable years beginning after December 31, 2013.

INTRODUCED BY:



JAN 2 3 2013



H.B. NO. 1/23

Report Title: Liquor Tax; Small Breweries and Brewpubs

Description: Reduces the gallonage tax on the first 60,000 barrels of beer brewed or produced during a taxable year by a small brewery or brewpub in the State to \$0.23 per gallon of beer.

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

