H.B. NO. 451 H.D. 1

## A BILL FOR AN ACT

RELATING TO FOSSIL FUELS.

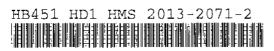
### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that imported natural gas 2 and coal are fossil fuels with environmental and economic impacts equivalent to that of imported petroleum products. 3 Under current law, increased importation of liquid natural gas 4 5 or coal would decrease the revenue derived from the 6 environmental response, energy, and food security tax on 7 petroleum products while still causing similar effects on 8 Hawaii's economy and environment. The purpose of this Act is to 9 levy the environmental response, energy, and food security tax 10 on all liquid, gaseous, and solid fossil fuels. SECTION 2. Section 243-3.5, Hawaii Revised Statutes, is 11 12 amended as follows: 1. By amending subsection (a) to read: 13 14 In addition to any other taxes provided by law, "(a) subject to the exemptions set forth in section 243-7, there is 15 hereby imposed a state environmental response, energy, and food 16 17 security tax on [each barrel or fractional part of a barrel of

18 petroleum product] each barrel equivalent of liquid, gaseous, or HB451 HD1 HMS 2013-2071-2

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1	solid fos	sil fuels having an energy content of 5,800,000 British
2	Thermal U	nits sold by a distributor to any retail dealer or end
3	user of [j	petroleum product,] fossil fuels, other than a refiner.
4	The tax s	hall be \$1.05 on each barrel equivalent of liquid,
5	gaseous,	or solid fossil fuels having an energy content of
6	5,800,000 British Thermal Units or fractional part of a barrel	
7	equivalen	t of [ <del>petroleum product</del> ] <u>liquid, gaseous, or solid</u>
8	fossil fu	els that is not aviation fuel; provided that of the tax
9	collected	pursuant to this subsection:
10	(1)	5 cents of the tax on each barrel <u>equivalent</u> shall be
11		deposited into the environmental response revolving
12		fund established under section 128D-2;
13	(2)	15 cents of the tax on each barrel <u>equivalent</u> shall be
14		deposited into the energy security special fund
15		established under section 201-12.8;
16	(3)	10 cents of the tax on each barrel equivalent shall be
17		deposited into the energy systems development special
18		fund established under section 304A-2169; and
19	(4)	15 cents of the tax on each barrel <u>equivalent</u> shall be
20		deposited into the agricultural development and food
21		security special fund established under section 141-
22		10.



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1	The tax imposed by this subsection shall be paid by the		
2	distributor of the [petroleum product.] fossil fuel."		
3	2. By amending subsection (d) to read:		
4	"(d) Every distributor shall keep in the State and		
5	preserve for five years a record in such form as the department		
6	of taxation shall prescribe showing the total [number of barrels		
7	and the fractional part of barrels of petroleum product} amount,		
8	in British Thermal Units, of liquid, gaseous, or solid fossil		
9	fuels by type of liquid, gaseous, or solid fossil fuels sold by		
10	the distributor during any calendar month. The record shall		
11	show such other data and figures relevant to the enforcement and		
12	administration of this chapter as the department may require."		
13	SECTION 3. Statutory material to be repealed is bracketed		
14	and stricken. New statutory material is underscored.		
15	SECTION 4. This Act shall take effect on January 1, 2100,		
16	and shall be repealed on June 30, 2015; provided that section		
17	243-3.5, Hawaii Revised Statutes, shall be reenacted in the form		
18	in which it read on June 30, 2010.		

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### Report Title:

Environmental Response, Energy, and Food Security Tax; Liquid, Gaseous, and Solid Fossil Fuels

### Description:

Amends section 243-3.5, HRS, to levy the environmental response, energy, and food security tax on liquid, gaseous, or solid fossil fuels. Effective January 1, 2100. Repeals June 30, 2015. (HB451 HD1)

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