
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 7671q), 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, shall pay a license tax to the department
12 of taxation for each gallon of liquid fuel refined,
13 manufactured, produced, or compounded by the distributor and
14 sold or used by the distributor in the State or imported by the
15 distributor, or acquired by the distributor from persons who are
16 not licensed distributors, and sold or used by the distributor
17 in the State. Any person who sells or uses any liquid fuel,
18 knowing that the distributor from whom it was originally



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

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

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

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

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

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



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

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

14 [~~+6+~~] (7) For each gallon of liquid fuel, other than fuel
15 mentioned in paragraphs (1) [~~and~~], (2), and (3), and
16 other than an alternative fuel, sold or used in the
17 county of Kauai, or sold in any county for ultimate
18 use in the county of Kauai, 16 cents state tax, and in
19 addition thereto [~~sueh~~] an amount, to be known as the
20 "county of Kauai fuel tax", as shall be levied
21 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 be applied retroactively and shall
14 be effective on and after January 1, 2016.



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 12/31/2015. 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 1/1/2016. (SD2)

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