

S.B. NO. 1202

JAN 27 2021

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A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Chapter 243, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§243- Chapter 235 and chapter 237 applicable. All of  
5 the provisions of chapters 235 and 237 not inconsistent with  
6 this chapter and that may appropriately be applied to the taxes,  
7 persons, circumstances, and situations involved in this chapter,  
8 including (without prejudice to the generality of the foregoing)  
9 provisions as to penalties and interest, and provisions granting  
10 administrative powers to the director of taxation, and  
11 provisions for the assessment, levy, and collection of taxes,  
12 shall be applicable to the taxes imposed by this chapter, and to  
13 the assessment, levy, and collection thereof."

14 SECTION 2. Section 243-2, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 "§243-2 Distributors to register and be licensed. (a)  
17 Every distributor, and any person before becoming a distributor,  
18 shall register as such with the department of taxation on forms

1 to be prescribed, prepared, and furnished by the department and  
2 the department shall issue to such distributor a license which  
3 shall be valid until revoked by the department as hereinafter  
4 provided. [~~However, distributors who cannot legally be required~~  
5 ~~by the State to so register and be licensed, or to perform the~~  
6 ~~duties required of distributors by any other provisions of this~~  
7 ~~chapter, shall be deemed to be excluded from the operation of~~  
8 ~~such provisions.~~]

9 (b) Any license issued under this chapter shall not be  
10 assignable and shall be conspicuously displayed on the licensed  
11 premises of the licensee. Whenever a license is defaced,  
12 destroyed, or lost, or the licensed premises are relocated, the  
13 department may issue a duplicate license to the licensee upon  
14 the payment of a fee of 50 cents.

15 (c) The department may suspend or revoke any license  
16 issued under this chapter whenever the department finds that the  
17 licensee has failed to comply with this chapter or any rule  
18 adopted under this chapter, or for any other good cause. Good  
19 cause includes, but is not limited to, instances where an  
20 applicant or licensee has:

21 (1) Submitted a false or fraudulent application or  
22 provided a false statement in an application;

23 (2) Possessed or displayed a false or fraudulent license;

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1       (3) Failed to comply with, violated, or been convicted of  
2       violating any county, state, or federal law directly  
3       pertaining to the sale, importation, acquisition,  
4       possession, distribution, transportation, or smuggling  
5       of fuel, including but not limited to petroleum  
6       products and alternative fuels; or

7       (4) Maintained incomplete or inaccurate records when and  
8       if required to be kept.

9       Upon suspending or revoking any license, the department may  
10      request that the licensee surrender the license or any duplicate  
11      issued to, or printed by, the licensee and the licensee shall  
12      surrender the license or duplicate promptly to the department as  
13      requested.

14      (d) When the department suspends or revokes a license, the  
15      department shall immediately notify the licensee and afford the  
16      licensee a hearing, if requested; provided that a hearing has  
17      not already been afforded. The department shall provide no less  
18      than thirty days notice to the licensee of a hearing afforded  
19      under this subsection. After the hearing, the department shall:

20      (1) Rescind its order of suspension;

21      (2) Continue the suspension;

22      (3) Revoke the license; or

23      (4) Rescind its order of revocation."

1 SECTION 3. Section 243-3, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§243-3 Retail dealers, permits; certificates.** (a) The  
4 certificate of a retail dealer as to the amount of the retail  
5 dealer's retail sales during the month, referred to in section  
6 243-10, is of no validity unless at the time of making the  
7 certificate the retail dealer holds a permit from the department  
8 of taxation, which is then in effect. In order to obtain a  
9 permit, a retail dealer shall make an application to the  
10 department therefor, in such form as the department prescribes,  
11 and containing such information as the department requires.

12 (b) Any person who makes a false or fraudulent application  
13 or certificate or false statement in an application or  
14 certificate provided for by this chapter, with intent to defraud  
15 the State or to obtain, for a licensed distributor, an  
16 unauthorized credit, or who in any manner intentionally deceives  
17 or attempts to deceive the department in relation to an  
18 application or certificate provided for by this chapter, shall  
19 be fined not more than \$5,000 or imprisoned not more than one  
20 year, or both.

21 (c) No permit shall be issued to a retail dealer unless  
22 the department is satisfied that:

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- 1           (1) The retail dealer, as to all of the liquid fuel  
2                    purchased by the retail dealer from licensed  
3                    distributors, is engaged exclusively in selling the  
4                    same at retail, and is not using the liquid fuel for  
5                    any other purpose; or
- 6           (2) The retail dealer maintains on the premises a pump or  
7                    pumps drawing on tanks into which fuel is delivered by  
8                    licensed distributors and from which no liquid fuel is  
9                    drawn by the retailer for any purpose other than the  
10                  sale thereof at retail, and the retail dealer further  
11                  maintains records showing the quantity of liquid fuel  
12                  on hand in those tanks at the beginning and end of  
13                  each month and the deliveries into those tanks made by  
14                  licensed distributors during the month; or
- 15          (3) The retail dealer maintains records by which retail  
16                  sales of liquid fuel purchased from licensed  
17                  distributors are segregated from all other sales or  
18                  uses of liquid fuel, and further showing the quantity  
19                  of liquid fuel on hand at the beginning and end of  
20                  each month and the purchases of liquid fuel from  
21                  licensed distributors during the month.
- 22          (d) Permits to retail dealers shall be issued on an annual  
23          basis and shall expire at the end of each calendar year. A fee

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1 of \$5 shall be charged for each permit or renewal thereof.

2 Permits shall be numbered and each certificate made by a retail  
3 dealer holding a permit shall bear the same identifying number  
4 as the permit which the retail dealer holds.

5 (e) ~~[The department may revoke a permit upon the grounds  
6 hereinafter stated, after notice to the retail dealer holding  
7 the permit informing the retail dealer of the grounds of the  
8 proposed revocation and of the time and place at which a hearing  
9 will be held thereon. If the department finds, after the  
10 hearing, that there is good cause therefor it may revoke the  
11 permit. The permit may be revoked upon any of the following  
12 grounds:~~

13 ~~(1) A false or fraudulent application or false statement  
14 in an application;~~

15 ~~(2) The giving of a false or fraudulent certificate or a  
16 false statement in a certificate;~~

17 ~~(3) Failure to maintain the practices or records required  
18 by paragraphs (1), (2), or (3) of subsection (c),  
19 whichever is applicable as shown by the retail  
20 dealer's application for the permit;~~

21 ~~(4) Incomplete or inaccurate records when and if required to be  
22 kept.]~~ Any entity that operates as a distributor and also sells

1 fuel to consumers at retail shall acquire a separate retail  
2 dealer permit.

3 (f) Each retail dealer who holds a permit issued by the  
4 department [~~which~~] that remains in effect, may make a  
5 certificate showing the amount of retail sales, made by the  
6 retail dealer during the month, of liquid fuel purchased from a  
7 licensed distributor, and further may furnish such certificate  
8 to the licensed distributor from whom the retail dealer  
9 purchased the liquid fuel, for the retail dealer's use as  
10 provided, in section 243-10.

11 (g) A retail dealer permit shall be nonassignable and  
12 nontransferable from one entity to another entity. A retail  
13 dealer permit may be transferred from one business location to  
14 another business location after an application has been filed  
15 with the department requesting that transfer and approval has  
16 been obtained from the department.

17 (h) A retail dealer permit issued under this section shall  
18 be displayed at all times in a conspicuous place at the place of  
19 business requiring the permit.

20 (i) The department may suspend, revoke, or decline to  
21 renew any permit issued under this chapter whenever the  
22 department finds that the applicant has failed to comply with  
23 this chapter or any rule adopted under this chapter, or for any

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1 other good cause. Good cause includes, but is not limited to,  
2 instances where an applicant or permittee has:

- 3 (1) Submitted a false or fraudulent application or  
4 provided a false statement in an application;
- 5 (2) Possessed or displayed a false or fraudulent permit;
- 6 (3) Provided a false or fraudulent certificate or made a  
7 false statement in a certificate;
- 8 (4) Failed to comply with, violated, or been convicted of  
9 violating any county, state, or federal law directly  
10 pertaining to the sale, importation, acquisition,  
11 possession, distribution, transportation, or smuggling  
12 of fuel, including but not limited to petroleum  
13 products and alternative fuels; or
- 14 (5) Maintained incomplete or inaccurate records when and  
15 if required to be kept.

16 Upon suspending or revoking any permit, the department may  
17 request that the permittee surrender the permit or any duplicate  
18 issued to, or printed by, the permittee and the permittee shall  
19 surrender the permit or duplicate promptly to the department as  
20 requested.

21 (j) When the department suspends, revokes, or declines to  
22 renew a permit, the department shall immediately notify the  
23 applicant or permittee and afford the applicant or permittee a

1 hearing, if requested; provided that a hearing has not already  
2 been afforded. The department shall provide no less than thirty  
3 days notice to the applicant or permittee of a hearing afforded  
4 under this subsection. After the hearing, the department shall:

- 5 (1) Rescind its order of suspension;
- 6 (2) Continue the suspension;
- 7 (3) Revoke the permit;
- 8 (4) Rescind its order of revocation;
- 9 (5) Decline to renew the permit; or
- 10 (6) Renew the permit."

11 SECTION 4. Section 243-10, Hawaii Revised Statutes, is  
12 amended to read as follows:

13 "**§243-10 Statements and payments.** Each distributor and  
14 each person subject to section [~~243-4(b)~~], 243-4, on or before  
15 the twentieth day of each calendar month, shall file with the  
16 [~~director of taxation~~], department, on forms prescribed[~~r~~  
17 ~~prepared, and furnished~~] by the [~~director~~], department, a  
18 statement, authenticated as provided in section 231-15, showing  
19 separately for each county and for the island of Lanai and the  
20 island of Molokai within which and whereon fuel is sold or used  
21 during each preceding month of the calendar year, the following:

- 22 (1) The total number of gallons of fuel refined,  
23 manufactured, or compounded by the distributor or

1 person within the State and sold or used by the  
2 distributor or person, and if for ultimate use in  
3 another county or on either island, the name of that  
4 county or island;

5 (2) The total number of gallons of fuel acquired by the  
6 distributor or person during the month from persons  
7 not subject to the tax on the transaction or only  
8 subject to tax thereon at the rate of 1 cent per  
9 gallon, as the case may be, and sold or used by the  
10 distributor or person, and if for ultimate use in  
11 another county or on either island, the name of that  
12 county or island;

13 (3) The total number of gallons of fuel sold by the  
14 distributor or person to the United States or any  
15 department or agency thereof, or to any other person  
16 or entity, or used in any manner, the effect of which  
17 sale or use is to exempt the fuel from the tax imposed  
18 by this chapter;

19 (4) Additional information relative to the acquisition,  
20 purchase, manufacture, or importation into the State,  
21 and the sale, use, or other disposition, of diesel oil  
22 by the distributor or person during the month, as the  
23 department of taxation by rule shall prescribe.

1           At the time of submitting the foregoing report to the  
2 department, each distributor and person shall pay the tax on  
3 each gallon of fuel (including diesel oil) sold or used by the  
4 distributor or person in each county and on the island of Lanai  
5 and the island of Molokai during the preceding month, as shown  
6 by the statement and required by this chapter; provided that the  
7 tax shall not apply to any fuel exempted and so long as the same  
8 is exempted from the imposition of the tax by the Constitution  
9 or laws of the United States; and the tax shall be paid only  
10 once upon the same fuel; provided further that a licensed  
11 distributor shall be entitled, in computing the tax the licensed  
12 distributor is required to pay, to deduct from the gallons of  
13 fuel reported for the month for each county or for the island of  
14 Lanai or the island of Molokai, as the case may be, one gallon  
15 for each ninety-nine gallons of like liquid fuel sold by retail  
16 dealers in that county or on that island during the month, as  
17 shown by certificates furnished by the retail dealers to the  
18 distributor and attached to the distributor's report. All taxes  
19 payable for any month shall be delinquent after the expiration  
20 of the twentieth day of the following month.

21           Statements filed under this section concerning the number  
22 of gallons of fuel refined, manufactured, compounded, imported,  
23 sold or used by the distributor or person are public records.

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1 All other information filed under this chapter and not expressly  
2 made public record under this section shall not be public  
3 records."

4 SECTION 5. Section 244D-1, Hawaii Revised Statutes, is  
5 amended by amending the definition of "dealer" to read as  
6 follows:

7 "Dealer" means the holder of a manufacturer's license, a  
8 wholesaler's license, ~~[or]~~ a brewpub's license, a winery's  
9 license, or a small craft producer's license under the liquor  
10 law."

11 SECTION 6. Section 244D-2, Hawaii Revised Statutes, is  
12 amended to read as follows:

13 "[~~+~~]**\$244D-2**[~~+~~] **Permit.** (a) It shall be unlawful for any  
14 dealer to sell liquor unless a permit has been issued to the  
15 dealer as hereinafter prescribed, and such permit is in full  
16 force and effect.

17 (b) The liquor commission shall certify to the department  
18 ~~[of taxation from time to time and within forty-eight hours~~  
19 ~~after such license is issued]~~ the name of every dealer, together  
20 with the dealer's place of business and the period covered by  
21 the dealer's license. The department ~~[thereupon]~~ shall issue  
22 its permit to such person for the period covered by the person's  
23 license upon the payment of a permit fee of \$2.50. The permit

1 shall be issued by the department as of the date when the liquor  
2 commission issued the license.

3 (c) Any permit issued under this chapter shall be for the  
4 period covered by dealer's license and shall not be assignable;  
5 it shall be conspicuously displayed on the licensed premises of  
6 the permittee; it shall expire upon the expiration of the period  
7 covered by the permittee's license, or on June 30 next  
8 succeeding the date upon which it is issued, whichever is  
9 earlier, unless sooner suspended, surrendered, or revoked for  
10 cause by the department; and it shall be renewed annually before  
11 July 1, upon fulfillment of all requirements as in the case of  
12 an original permit and the payment of a renewal fee of \$2.50.  
13 Whenever a permit is defaced, destroyed, or lost, or the  
14 licensed premises are relocated, the department may issue a  
15 duplicate permit to the permittee upon the payment of a fee of  
16 50 cents.

17 (d) [~~The department may suspend, or, after hearing,~~  
18 ~~revoke, any permit issued under this chapter whenever it finds~~  
19 ~~that the permittee has failed to comply with this chapter, or~~  
20 ~~any rule or regulation of the department prescribed, adopted,~~  
21 ~~and promulgated under this chapter. Upon suspending or revoking~~  
22 ~~any permit the department shall request the permittee to~~  
23 ~~surrender to it immediately the permit, or any duplicate thereof~~

1 ~~issued to the permittee, and the permittee shall surrender the~~  
2 ~~same promptly to the department as requested.]~~ The department  
3 may suspend, revoke, or decline to renew any permit issued under  
4 this chapter whenever the department finds that the applicant  
5 has failed to comply with this chapter or any rule adopted under  
6 this chapter, or for any other good cause. Good cause includes,  
7 but is not limited to, instances where an applicant or permittee  
8 has:

- 9       (1) Submitted a false or fraudulent application or  
10       provided a false statement in an application;  
11       (2) Possessed or displayed a false or fraudulent permit;  
12       (3) Failed to comply with, violated, or been convicted of  
13       violating any county, state, or federal law directly  
14       pertaining to the sale, importation, acquisition,  
15       possession, distribution, transportation, or smuggling  
16       of liquor; or  
17       (4) Maintained incomplete or inaccurate records when and  
18       if required to be kept.

19 Upon suspending or revoking any permit, the department may  
20 request that the permittee surrender the permit or any duplicate  
21 issued to, or printed by, the permittee and the permittee shall  
22 surrender the permit or duplicate promptly to the department as  
23 requested.

1        (e) Whenever the department suspends, revokes, or declines  
2 to renew a permit, it shall notify the applicant or permittee  
3 immediately and afford the applicant or permittee a hearing, if  
4 desired, and if a hearing has not already been afforded. The  
5 department shall provide no less than thirty days notice to the  
6 applicant or permittee of a hearing afforded under this  
7 subsection. After the hearing the department shall [either  
8 ~~rescind its order of suspension, or good cause appearing~~  
9 ~~therefor, shall continue the suspension or revoke the permit.]:~~

- 10        (1) Rescind its order of suspension;  
11        (2) Continue the suspension;  
12        (3) Revoke the permit;  
13        (4) Rescind its order of revocation;  
14        (5) Decline to renew the permit; or  
15        (6) Renew the permit."

16        SECTION 7. Section 245-2, Hawaii Revised Statutes, is  
17 amended to read as follows:

18        "**§245-2 License.** (a) It shall be unlawful for any person  
19 to engage in the business of a wholesaler or dealer in the State  
20 without having received first a license therefor issued by the  
21 department of taxation under this chapter; provided that this  
22 section shall not be construed to supersede any other law  
23 relating to licensing of persons in the same business.

1 (b) The license shall be issued by the department upon  
2 application therefor, in such form and manner as shall be  
3 required by rule of the department, and the payment of a fee of  
4 \$2.50, and shall be renewable annually on July 1 for the twelve  
5 months ending the succeeding June 30.

6 (c) Any license issued under this chapter shall not be  
7 assignable and shall be conspicuously displayed on the licensed  
8 premises of the licensee. Whenever a license is defaced,  
9 destroyed, or lost, or the licensed premises are relocated, the  
10 department may issue a duplicate license to the licensee upon  
11 the payment of a fee of 50 cents.

12 [~~e~~] (d) The department may suspend [~~or, after hearing~~],  
13 revoke, or decline to renew any license issued under this  
14 chapter whenever the department finds that the applicant or  
15 licensee has failed to comply with this chapter or any rule  
16 adopted under this chapter, or for any other good cause. Good  
17 cause includes but is not limited to instances where an  
18 applicant or licensee has:

- 19 (1) Submitted a false or fraudulent application or  
20 provided a false statement in an application; [~~or~~]  
21 (2) Possessed or displayed a false or fraudulent  
22 license[~~+~~];

- 1        (3) Failed to comply with, violated, or been convicted of  
2        violating any county, state, or federal law directly  
3        pertaining to the sale, importation, acquisition,  
4        possession, stamping, distribution, transportation, or  
5        smuggling of cigarettes, counterfeit cigarettes,  
6        counterfeit tax stamps, or other tobacco products; or  
7        (4) Maintained incomplete or inaccurate records when and  
8        if required to be kept.

9        Upon suspending or revoking any license, the department [~~shall~~]  
10       may request that the licensee immediately surrender the license  
11       or any duplicate issued to, or printed by, the licensee and the  
12       licensee shall surrender the license or duplicate promptly to  
13       the department as requested.

14       [~~(d)~~] (e) Whenever the department suspends, revokes, or  
15       declines to renew a license, the department shall notify the  
16       applicant or licensee immediately and afford the applicant or  
17       licensee a hearing, if requested and if a hearing has not  
18       already been afforded. The department shall provide no less  
19       than thirty days notice to the applicant or licensee of a  
20       hearing afforded under this subsection. After the hearing, the  
21       department shall:

- 22       (1) Rescind its order of suspension;  
23       (2) Continue the suspension;

- 1 (3) Revoke the license;
- 2 (4) Rescind its order of revocation;
- 3 (5) Decline to renew the license; or
- 4 (6) Renew the license."

5 SECTION 8. Section 245-2.5, Hawaii Revised Statutes, is  
6 amended by amending subsections (m) and (n) to read as follows:

7 "(m) The department may suspend or~~[, after hearing,]~~  
8 revoke, or decline to renew any retail tobacco permit issued  
9 under this chapter whenever the department finds that the  
10 applicant or permittee has failed to comply with this chapter or  
11 any rule adopted under this chapter, or for any other good  
12 cause. Good cause includes but is not limited to instances  
13 where an applicant or permittee has:

- 14 (1) Submitted a false or fraudulent application or  
15 provided a false statement in an application; ~~[or]~~
- 16 (2) Possessed or displayed a false or fraudulent retail  
17 tobacco permit~~[-]~~;
- 18 (3) Failed to comply with, violated, or been convicted of  
19 violating any county, state, or federal law directly  
20 pertaining to the sale, importation, acquisition,  
21 possession, stamping, distribution, transportation, or  
22 smuggling of cigarettes, counterfeit cigarettes,  
23 counterfeit tax stamps, or other tobacco products; or

1        (4) Maintained incomplete or inaccurate records when and  
2            if required to be kept.

3        Upon suspending or revoking any retail tobacco permit, the  
4        department [~~shall~~] may request that the permittee immediately  
5        surrender any retail tobacco permit or duplicate issued to, or  
6        printed by, the permittee, and the permittee shall surrender the  
7        permit or duplicate promptly to the department as requested.

8            (n) Whenever the department suspends, revokes, or declines  
9        to renew a retail tobacco permit, the department shall notify  
10       the applicant or permittee immediately and afford the applicant  
11       or permittee a hearing, if requested and if a hearing has not  
12       already been afforded. The department shall provide no less  
13       than thirty days notice to the applicant or permittee of a  
14       hearing afforded under this subsection. After the hearing, the  
15       department shall:

- 16            (1) Rescind its order of suspension;  
17            (2) Continue the suspension;  
18            (3) Revoke the retail tobacco permit;  
19            (4) Rescind its order of revocation;  
20            (5) Decline to renew the retail tobacco permit; or  
21            (6) Renew the retail tobacco permit."

22        SECTION 9. Section 245-33, Hawaii Revised Statutes, is  
23        amended to read as follows:

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1           "~~[f]~~§245-33~~[f]~~ **Unused stamps; cancellation of stamps.** The  
2 department shall adopt rules for a refund or credit to a  
3 licensee in the amount of the denominated values less any  
4 discount applied pursuant to section 245-22(e) of any unused  
5 stamps. The department may provide by rule for the cancellation  
6 of stamps."

7           SECTION 10. Section 243-8, Hawaii Revised Statutes, is  
8 repealed.

9           ~~["§243-8 License taxes payable monthly. License taxes~~  
10 ~~imposed by this chapter shall be paid in monthly installments to~~  
11 ~~the department of taxation."]~~

12           SECTION 11. Section 245-31, Hawaii Revised Statutes, is  
13 repealed.

14           ~~["§245-31 Monthly report on distributions of cigarettes~~  
15 ~~and tobacco products, and purchases of stamps. (a) On or~~  
16 ~~before the twentieth day of each month, every licensee shall~~  
17 ~~file on forms prescribed by the department:~~

18           ~~(1) A report of the licensee's distributions of cigarettes~~  
19           ~~and purchases of stamps during the preceding month;~~  
20           ~~and~~

21           ~~(2) Any other information that the department may require~~  
22           ~~to carry out this part.~~

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1       ~~(b) On or before the twentieth day of each month, every~~  
2 ~~licensee shall file on forms prescribed by the department:~~

3       ~~(1) A report of the licensee's distributions of tobacco~~  
4           ~~products and the wholesale costs of tobacco products~~  
5           ~~during the preceding month; and~~

6       ~~(2) Any other information that the department may require~~  
7           ~~to carry out this part."]~~

8       SECTION 12. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10       SECTION 13. This Act shall take effect upon its approval.

INTRODUCED BY:           *Ken D. Orr*          

BY REQUEST

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**Report Title:**

Taxation

**Description:**

Makes various technical amendments to chapters 243, 244D, and 245, Hawaii Revised Statutes.

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

JUSTIFICATION SHEET

DEPARTMENT: Taxation.

TITLE: A BILL FOR AN ACT RELATING TO TAXATION.

PURPOSE: To make technical amendments to Title 14, Hawaii Revised Statutes (HRS), to allow the Department of Taxation to more effectively administer the law and to more accurately reflect the Department's tax compliance process.

MEANS: Add a new section to chapter 243, amend sections 243-2, 243-3, 243-10, 244D-1, 244D-2, 245-2, 245-2.5(m) and (n), and 245-33, and repeal sections 243-8 and 245-31, HRS.

JUSTIFICATION: Chapters 243, 244D, and 245, HRS, have not been reviewed for technical cleanup in many years. The Department, having reviewed them, believes the amendments contained in this bill add clarity to the law and allow for more effective administration. This bill: (1) adds a new section to chapter 243, HRS, that incorporates relevant provisions of chapters 235 and 237, HRS; a similar provision exists in chapters 244D and 245, HRS; (2) amends sections 243-2, 243-3, 244D-2, 245-2, and 245-2.5(m) and (n) (sections related to licensing, permitting, and appeals), HRS, so that they read and operate more similarly to each other; (3) amends section 243-2(a), HRS, by deleting its final sentence, which is related to military and commercial aviators that shipped fuel into the State for their own use prior to the State developing its own fuel refinery in 1962; (4) amends section 243-10, HRS, to clarify that fuel tax return information is confidential except for the information specifically mentioned in that section; (5) amends section 244D-1, HRS, to expand the definition of "dealer" to include other relevant classifications of liquor

licensees; (6) amends section 244D-2, HRS, to remove unnecessary and onerous forty-eight hour notice requirements for the Department of Taxation and the county liquor commissions to communicate with each other, additionally, making amendments to clarify the period for which a liquor permit is valid; (7) amends section 245-33, HRS, to allow the Department to decrease the amount refunded to taxpayers for unused stamps by any amount of discounted purchase price under section 245-22(e), HRS; (8) repeals section 243-8, HRS, which established the taxable period of the fuel license tax and amends section 243-10, HRS, to create the taxable period and also make other technical amendments; and (9) repeals section 245-31, HRS, which requires a redundant monthly report.

Impact on the public: Impacts readers of the law by adding clarity. Impacts liquor industry by expanding what liquor licensees are designated as "dealers." Impacts holders of unused tax stamps by reducing refunds of unused tax stamps by any amount the purchase price was reduced under section 245-22(e), HRS.

Impact on the department and other agencies: This bill will allow the Department to more effectively administer the tax law, and more effectively program its system under the Tax Modernization System, due to the law being more clear.

GENERAL FUND: None.  
OTHER FUNDS: None.  
OTHER AFFECTED AGENCIES: None.  
EFFECTIVE DATE: Upon approval.