

JAN 27 2021

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# A BILL FOR AN ACT

RELATING TO INTOXICATING LIQUOR.

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

1           SECTION 1. The legislature finds that under the current  
2 definition of "cooler beverage", the relevant tax rate is only  
3 applicable to wine-based or beer-based beverages, while  
4 beverages that are spirits-based are taxed as distilled spirits.  
5 Consequently, if a local distiller wants to make a "cooler  
6 beverage" that contains one ounce of distilled spirits and  
7 eleven ounces of another liquid, the beverage is taxed as if it  
8 consists entirely of alcohol. Although several companies on the  
9 mainland export small volumes of ready-to-drink cocktails in  
10 cans or bottles, none of the growing number of local  
11 distilleries offer this option. The disparate tax treatment may  
12 be the primary reason.

13           Accordingly, the purpose of this part is to amend the  
14 definition of "cooler beverage" to include spirits-based  
15 beverages, to encourage local distilleries to produce ready-to-  
16 drink cocktails.



1 SECTION 2. Section 244D-1, Hawaii Revised Statutes, is  
2 amended by amending the definition of "cooler beverage" to read  
3 as follows:

4 "Cooler beverage" means either a:

- 5 (1) Wine cooler containing wine and more than fifteen per  
6 cent added natural or artificial blending material,  
7 such as fruit juices, flavors, flavorings, or  
8 adjuncts, water (plain, carbonated, or sparkling),  
9 colorings, or preservatives, and that contains less  
10 than seven per cent of alcohol by volume; [~~or~~]
- 11 (2) Malt beverage cooler containing beer and added natural  
12 or artificial blending material, such as fruit juices,  
13 flavors, flavorings, colorings, or preservatives, and  
14 that contains less than seven per cent of alcohol by  
15 volume [~~-~~]; or
- 16 (3) Spirit beverage cooler containing distilled spirits  
17 and added natural or artificial blending material,  
18 such as fruit juices, flavors, flavorings, colorings,  
19 or preservatives, and that contains seven per cent or  
20 less of alcohol by volume."



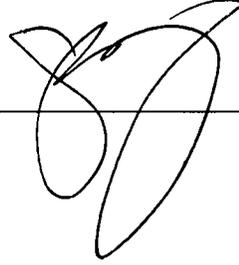
# S.B. NO. 1354

1           SECTION 3. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3           SECTION 4. This Act shall take effect on July 1, 2021.

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INTRODUCED BY: \_\_\_\_\_

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# S.B. NO. 1354

**Report Title:**

Intoxicating Liquor; Cooler Beverages

**Description:**

Expands the definition of "cooler beverage" to include certain spirits-based beverages that contain seven percent or less alcohol by volume.

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

