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# A BILL FOR AN ACT

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RELATING TO ENERGY TAX.

**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-     Flight assistance tax; aviation fuel;  
5       distributors. (a) In addition to any other taxes provided by  
6       law, subject to the exemptions set forth in section 243-7, there  
7       is hereby imposed a flight assistance tax on each barrel or  
8       fractional part of a barrel of gasoline or other aviation fuel  
9       sold for use in or used for airplanes sold by a distributor to  
10       any retail dealer or end user of gasoline or other aviation fuel  
11       sold for use in or used for airplanes, other than a refiner.  
12       The tax shall be \$1.05 on each barrel or fractional part of a  
13       barrel of gasoline or other aviation fuel sold for use in or  
14       used for airplanes.

15       The tax imposed by this subsection shall be paid by the  
16       distributor of the gasoline or other aviation fuel sold for use  
17       in or used for airplanes.



1        (b) Each distributor subject to the tax imposed by  
2        subsection (a), on or before the last day of each calendar  
3        month, shall file, in the form and manner prescribed by the  
4        department, a return statement of the tax under this section for  
5        which the distributor is liable for the preceding month. The  
6        form and payment of the tax shall be transmitted to the  
7        department in the form and manner prescribed by the department.

8        (c) Notwithstanding section 248-8 to the contrary, the  
9        flight assistance tax revenues collected under subsection (b)  
10       shall be paid over to the director of finance for deposit into  
11       the flight assistance tax special fund established under section  
12       248- .

13       (d) Every distributor shall keep in the State and preserve  
14       for five years a record in a form as the department shall  
15       prescribe showing the total number of barrels, and the  
16       fractional part of barrels, of gasoline or other aviation fuel  
17       sold for use in or used for airplanes sold by the distributor  
18       during any calendar month. The record shall show any other data  
19       and figures relevant to the enforcement and administration of  
20       this chapter as the department may require.

21       (e) For the purposes of this section:



1       "Barrel" may be converted to million British thermal units,  
2       using the United States Department of Energy, Energy Information  
3       Administration annual energy review or annual energy outlook.

4       "Department" means the department of taxation."

5       SECTION 2. Chapter 248, Hawaii Revised Statutes, is  
6       amended by adding a new section to be appropriately designated  
7       and to read as follows:

8       "§248-     Flight assistance tax special fund; uses.   There  
9       is established in the state treasury a flight assistance tax  
10       special fund into which shall be deposited the flight assistance  
11       tax established under section 243-   ; provided that:

12       (1)   Fifty per cent of the moneys in the fund shall be set  
13       aside for the maintenance, operation, and repair of  
14       the statewide system of airports;

15       (2)   Thirty per cent of the moneys in the fund shall be set  
16       aside for airport innovation projects; and

17       (3)   Twenty per cent of the moneys in the fund shall be set  
18       aside for aeronautical and aerospace development."

19       SECTION 3. Section 248-8, Hawaii Revised Statutes, is  
20       amended to read as follows:



1       "§248-8 Special funds in treasury of State. There are  
2 created in the treasury of the State three special funds to be  
3 known, respectively, as the state highway fund, the airport  
4 revenue fund, and the boating special fund. All taxes collected  
5 under chapter 243 in each calendar year, except the "county of  
6 Hawaii fuel tax", "city and county of Honolulu fuel tax",  
7 "county of Maui fuel tax", and "county of Kauai fuel tax", shall  
8 be deposited in the state highway fund; provided that:

9       (1) All taxes collected under chapter 243 with respect to  
10 gasoline or other aviation fuel sold for use in or  
11 used for airplanes, except for the flight assistance  
12 tax established under section 243- , shall be set  
13 aside in the airport revenue fund; and

14       (2) All taxes collected under chapter 243 with respect to  
15 liquid fuel sold for use in or used for small boats  
16 shall be deposited in the boating special fund.

17       As used in this section, "small boats" means all vessels  
18 and other watercraft except those operated in overseas  
19 transportation beyond the State, and ocean-going tugs and  
20 dredges. The chairperson of the board of land and natural  
21 resources, from July 1, 1992, and every three years thereafter,



1 shall establish standards or formulas that will as equitably as  
2 possible establish the total taxes collected under chapter 243  
3 in each fiscal year that are derived from the sale of liquid  
4 fuel for use in or used for small boats. The amount so  
5 determined shall be deposited in the boating special fund.

6 An amount equal to 0.3 per cent of the highway fuel tax but  
7 not more than \$250,000 collected under chapter 243 shall be  
8 allocated each fiscal year to the special land and development  
9 fund for purposes of the management, maintenance, and  
10 development of trails and trail accesses under the jurisdiction  
11 of the department of land and natural resources established  
12 under section 198D-2."

13 SECTION 4. New statutory material is underscored.

14 SECTION 5. This Act shall take effect on January 1, 2023.



# S.B. NO. 2721 S.D. 1

**Report Title:**

Aviation Fuel; Flight Assistance Tax; Flight Assistance Tax  
Special Fund

**Description:**

Establishes the flight assistance tax on aviation fuel to be  
placed in the Flight Assistance Tax Special Fund for certain  
uses. Effective 1/1/2023. (SD1)

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not legislation or evidence of legislative intent.*

