
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Chapter 245, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§245- Taxation of modified risk tobacco products.

5 Notwithstanding any law to the contrary, every wholesaler, in
6 addition to any other taxes provided by law, shall pay for the
7 privilege of conducting business and other activities in the
8 State an excise tax equal to fifty per cent of the otherwise
9 applicable tax under section 245-3 for each modified risk
10 tobacco product sold, used, or possessed by a wholesaler, or if
11 not sold then at the same rate upon the use by the wholesaler.

12 As used in this section "modified risk tobacco product"
13 means any product for which a modified risk tobacco product
14 order has been issued by the Secretary of the United States
15 Department of Health and Human Services pursuant to title 21
16 United States Code section 387k(g)."



1 SECTION 2. Section 245-1, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By adding two new definitions to be appropriately
4 inserted and to read:

5 ""E-liquid" means any liquid or like substance, which may
6 or may not contain nicotine, that is designed or intended to be
7 used in an electronic smoking device, whether or not packaged in
8 a cartridge or other container. "E-liquid" does not include
9 prescription drugs; medical cannabis or manufactured cannabis
10 products pursuant to chapter 329D; or medical devices used to
11 aerosolize, inhale, or ingest prescription drugs, including
12 manufactured cannabis products manufactured or distributed in
13 accordance with section 329D-10.

14 "Smoke" or "smoking" means inhaling, exhaling, burning,
15 carrying, or possessing any lighted or heated tobacco product,
16 or similar substance intended for human consumption, including
17 the use of an electronic smoking device that creates an aerosol
18 or vapor, in any manner or in any form."

19 2. By amending the definition of "tobacco products" to
20 read:

21 ""Tobacco products" means [~~tobacco~~]:



1 (1) Tobacco in any form, other than cigarettes or little
2 cigars that [~~is prepared or intended for consumption~~
3 ~~or for personal use by humans, including large cigars~~
4 ~~and any substitutes thereof other than cigarettes that~~
5 ~~bear the semblance thereof, snuff, chewing or~~
6 ~~smokeless tobacco, and smoking or pipe tobacco.~~] is
7 intended for human consumption, or is likely to be
8 consumed whether smoked, heated, chewed, absorbed,
9 dissolved, inhaled, or ingested by other means;

10 (2) E-liquid; or

11 (3) Electronic smoking device.

12 "Tobacco products" includes but is not limited to large cigars
13 and any substitutes thereof other than cigarettes that bear the
14 semblance thereof, pipe tobacco, chewing or smokeless tobacco,
15 snuff, snus, e-liquid, electronic smoking device, any cartridge
16 or other component part of the device or product, and related
17 products."

18 SECTION 3. This Act does not affect rights and duties that
19 matured, penalties that were incurred, and proceedings that were
20 begun before its effective date.



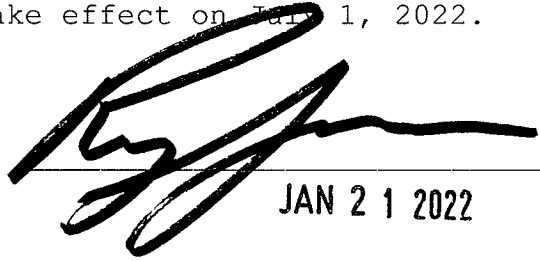
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1 SECTION 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect on Jan 1, 2022.

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INTRODUCED BY:

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JAN 21 2022



H.B. NO. 1661

Report Title:

Electronic Smoking Devices; E-liquid; Taxation; Regulation;
Modified Risk Tobacco Products

Description:

Imposes an excise tax of fifty per cent of the otherwise applicable tax under section 245-3, HRS, on every wholesaler for each modified risk tobacco product sold, used, or possessed by a wholesaler. Includes e-liquids and electronic smoking devices as tobacco products for purposes of taxation under the Cigarette Tax and Tobacco Tax Law.

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

