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# A BILL FOR AN ACT

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RELATING TO TAXATION.

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

1       SECTION 1. Section 245-3, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3       "(a) Every wholesaler or dealer, in addition to any other  
4 taxes provided by law, shall pay for the privilege of conducting  
5 business and other activities in the State:

6       (1) An excise tax equal to [~~5.00~~] 5 cents for each  
7 cigarette sold, used, or possessed by a wholesaler or  
8 dealer after June 30, 1998, whether or not sold at  
9 wholesale, or if not sold then at the same rate upon  
10 the use by the wholesaler or dealer;

11       (2) An excise tax equal to [~~6.00~~] 6 cents for each  
12 cigarette sold, used, or possessed by a wholesaler or  
13 dealer after September 30, 2002, whether or not sold  
14 at wholesale, or if not sold then at the same rate  
15 upon the use by the wholesaler or dealer;

16       (3) An excise tax equal to [~~6.50~~] 6.5 cents for each  
17 cigarette sold, used, or possessed by a wholesaler or



1 dealer after June 30, 2003, whether or not sold at  
2 wholesale, or if not sold then at the same rate upon  
3 the use by the wholesaler or dealer;

4 (4) An excise tax equal to [~~7.00~~] 7 cents for each  
5 cigarette sold, used, or possessed by a wholesaler or  
6 dealer after June 30, 2004, whether or not sold at  
7 wholesale, or if not sold then at the same rate upon  
8 the use by the wholesaler or dealer;

9 (5) An excise tax equal to [~~8.00~~] 8 cents for each  
10 cigarette sold, used, or possessed by a wholesaler or  
11 dealer on and after September 30, 2006, whether or not  
12 sold at wholesale, or if not sold then at the same  
13 rate upon the use by the wholesaler or dealer;

14 (6) An excise tax equal to [~~9.00~~] 9 cents for each  
15 cigarette sold, used, or possessed by a wholesaler or  
16 dealer on and after September 30, 2007, whether or not  
17 sold at wholesale, or if not sold then at the same  
18 rate upon the use by the wholesaler or dealer;

19 (7) An excise tax equal to [~~10.00~~] 10 cents for each  
20 cigarette sold, used, or possessed by a wholesaler or  
21 dealer on and after September 30, 2008, whether or not



1 sold at wholesale, or if not sold then at the same  
2 rate upon the use by the wholesaler or dealer;

3 (8) An excise tax equal to [~~13.00~~] 13 cents for each  
4 cigarette sold, used, or possessed by a wholesaler or  
5 dealer on and after July 1, 2009, whether or not sold  
6 at wholesale, or if not sold then at the same rate  
7 upon the use by the wholesaler or dealer;

8 (9) An excise tax equal to [~~11.00~~] 11 cents for each  
9 little cigar sold, used, or possessed by a wholesaler  
10 or dealer on and after October 1, 2009, whether or not  
11 sold at wholesale, or if not sold then at the same  
12 rate upon the use by the wholesaler or dealer;

13 (10) An excise tax equal to [~~15.00~~] 15 cents for each  
14 cigarette or little cigar sold, used, or possessed by  
15 a wholesaler or dealer on and after July 1, 2010,  
16 whether or not sold at wholesale, or if not sold then  
17 at the same rate upon the use by the wholesaler or  
18 dealer;

19 (11) An excise tax equal to [~~16.00~~] 16 cents for each  
20 cigarette or little cigar sold, used, or possessed by  
21 a wholesaler or dealer on and after July 1, 2011,



1           whether or not sold at wholesale, or if not sold then  
2           at the same rate upon the use by the wholesaler or  
3           dealer;

4           (12) An excise tax equal to seventy per cent of the  
5           wholesale price of each article or item of tobacco  
6           products, other than large cigars, sold by the  
7           wholesaler or dealer on and after September 30, 2009,  
8           whether or not sold at wholesale, or if not sold then  
9           at the same rate upon the use by the wholesaler or  
10          dealer; [and]

11          (13) An excise tax equal to fifty per cent of the wholesale  
12          price of each large cigar of any length, sold, used,  
13          or possessed by a wholesaler or dealer on and after  
14          September 30, 2009, whether or not sold at wholesale,  
15          or if not sold then at the same rate upon the use by  
16          the wholesaler or dealer[-]; and

17          (14) An excise tax equal to the lesser of:

18           (A) Fifty cents for each large cigar of any length;

19           or

20           (B) Fifty per cent of the wholesale price of each  
21           large cigar of any length,



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1        sold, used, or possessed by a wholesaler or dealer on  
2        and after July 1, 2021, whether or not sold at  
3        wholesale, or if not sold then at the same rate upon  
4        the use by the wholesaler or dealer.

5        Where the tax imposed has been paid on cigarettes, little  
6        cigars, or tobacco products that thereafter become the subject  
7        of a casualty loss deduction allowable under chapter 235, the  
8        tax paid shall be refunded or credited to the account of the  
9        wholesaler or dealer. The tax shall be applied to cigarettes  
10       through the use of stamps."

11       SECTION 2. Statutory material to be repealed is bracketed  
12       and stricken. New statutory material is underscored.

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

14       INTRODUCED BY:

Nadine K. Puh

JAN 25 2021



# H.B. NO. 868

**Report Title:**

Taxation; Excise Tax; Large Cigars

**Description:**

Amends the excise tax rate on large cigars.

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

