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# A BILL FOR AN ACT

RELATING TO HEALTH.

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

1 SECTION 1. 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 "Electronic smoking device" means any device that may be  
6 used to deliver any aerosolized or vaporized substance to the  
7 person inhaling from the device, including but not limited to an  
8 electronic cigarette, electronic cigar, electronic pipe, vape  
9 pen, or electronic hookah. "Electronic smoking device" includes  
10 any component, part, or accessory of the device, and also  
11 includes any substance that may be aerosolized or vaporized by  
12 such device, regardless of whether the substance contains  
13 nicotine. "Electronic smoking device" does not include drugs,  
14 devices, or combination products authorized for sale by the  
15 United States Food and Drug Administration, as those terms are  
16 defined in the Federal Food, Drug, and Cosmetic Act.



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

11       2. By amending the definition of "tobacco products" to  
 12 read:

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

14       (1) Tobacco in any form, other than cigarettes or little  
 15       cigars, that is prepared or intended for consumption  
 16       or for personal use by humans, including large cigars  
 17       and any substitutes thereof other than cigarettes that  
 18       bear the semblance thereof, snuff, chewing or  
 19       smokeless tobacco, and smoking or pipe tobacco[~~-~~]; or

20       (2) Any electronic smoking device or e-liquid."



1 SECTION 2. 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 cents for each cigarette  
7 sold, used, or possessed by a wholesaler or dealer  
8 after June 30, 1998, whether or not sold at wholesale,  
9 or if not sold then at the same rate upon the use by  
10 the wholesaler or dealer;

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

16 (3) An excise tax equal to 6.50 cents for each cigarette  
17 sold, used, or possessed by a wholesaler or dealer  
18 after June 30, 2003, whether or not sold at wholesale,  
19 or if not sold then at the same rate upon the use by  
20 the wholesaler or dealer;



- 1           (4) An excise tax equal to 7.00 cents for each cigarette  
2                    sold, used, or possessed by a wholesaler or dealer  
3                    after June 30, 2004, whether or not sold at wholesale,  
4                    or if not sold then at the same rate upon the use by  
5                    the wholesaler or dealer;
- 6           (5) An excise tax equal to 8.00 cents for each cigarette  
7                    sold, used, or possessed by a wholesaler or dealer on  
8                    and after September 30, 2006, 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          (6) An excise tax equal to 9.00 cents for each cigarette  
12                    sold, used, or possessed by a wholesaler or dealer on  
13                    and after September 30, 2007, whether or not sold at  
14                    wholesale, or if not sold then at the same rate upon  
15                    the use by the wholesaler or dealer;
- 16          (7) An excise tax equal to 10.00 cents for each cigarette  
17                    sold, used, or possessed by a wholesaler or dealer on  
18                    and after September 30, 2008, whether or not sold at  
19                    wholesale, or if not sold then at the same rate upon  
20                    the use by the wholesaler or dealer;



- 1           (8) An excise tax equal to 13.00 cents for each cigarette  
2                   sold, used, or possessed by a wholesaler or dealer on  
3                   and after July 1, 2009, whether or not sold at  
4                   wholesale, or if not sold then at the same rate upon  
5                   the use by the wholesaler or dealer;
- 6           (9) An excise tax equal to 11.00 cents for each little  
7                   cigar sold, used, or possessed by a wholesaler or  
8                   dealer on and after October 1, 2009, whether or not  
9                   sold at wholesale, or if not sold then at the same  
10                  rate upon the use by the wholesaler or dealer;
- 11          (10) An excise tax equal to 15.00 cents for each cigarette  
12                   or little cigar sold, used, or possessed by a  
13                   wholesaler or dealer on and after July 1, 2010,  
14                   whether or not sold at wholesale, or if not sold then  
15                   at the same rate upon the use by the wholesaler or  
16                   dealer;
- 17          (11) An excise tax equal to 16.00 cents for each cigarette  
18                   or little cigar sold, used, or possessed by a  
19                   wholesaler or dealer on and after July 1, 2011,  
20                   whether or not sold at wholesale, or if not sold then



1 at the same rate upon the use by the wholesaler or  
2 dealer;

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

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

16 (14) An excise tax equal to \_\_\_\_\_ per cent of the wholesale  
17 price of each electronic smoking device or e-liquid  
18 sold, used, or possessed by a wholesaler or dealer on  
19 and after January 1, 2024, whether or not sold at  
20 wholesale, or if not sold then at the same rate upon  
21 the use by the wholesaler or dealer.



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

7 SECTION 3. Chapter 28, part XII, Hawaii Revised Statutes,  
8 is repealed.

9 SECTION 4. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11 SECTION 5. This Act shall take effect on January 1, 3000.



**Report Title:**

Electronic Smoking Devices; E-Liquids; Tobacco Products; Tax;  
Excise Tax

**Description:**

Includes electronic smoking devices and e-liquids under the definition of "tobacco products" for purposes of the cigarette tax and tobacco tax law. Exempts electronic smoking devices and e-liquids from the excise tax on all tobacco products other than large cigars. Beginning 1/1/2024, imposes an excise tax on each electronic smoking device or e-liquid sold, used, or possessed by a wholesaler or dealer effective. Repeals the electronic smoking device retailer registration unit under the department of the attorney general. Effective 1/1/3000. (HD1)

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