
A BILL FOR AN ACT

RELATING TO CIGARETTE TAXES.

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
5 conducting business and other activities in the State, an excise
6 tax equal to:

7 (1) 5.00 cents for each cigarette sold, used, or possessed
8 by a wholesaler or dealer after June 30, 1998, whether
9 or not sold at wholesale, or if not sold, then at the
10 same rate upon the use by the wholesaler or dealer;

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

16 (3) 6.50 cents for each cigarette sold, used, or possessed
17 by a wholesaler or dealer after June 30, 2003, whether



- 1 or not sold at wholesale, or if not sold, then at the
2 same rate upon the use by the wholesaler or dealer;
- 3 (4) 7.00 cents for each cigarette sold, used, or possessed
4 by a wholesaler or dealer after June 30, 2004, whether
5 or not sold at wholesale, or if not sold, then at the
6 same rate upon the use by the wholesaler or dealer;
- 7 (5) 8.00 cents for each cigarette sold, used, or possessed
8 by a wholesaler or dealer on and after September 30,
9 2006, whether or not sold at wholesale, or if not
10 sold, then at the same rate upon the use by the
11 wholesaler or dealer;
- 12 (6) 9.00 cents for each cigarette sold, used, or possessed
13 by a wholesaler or dealer on and after September 30,
14 2007, whether or not sold at wholesale, or if not
15 sold, then at the same rate upon the use by the
16 wholesaler or dealer;
- 17 (7) 10.00 cents for each cigarette sold, used, or
18 possessed by a wholesaler or dealer on and after
19 September 30, 2008, whether or not sold at wholesale,
20 or if not sold, then at the same rate upon the use by
21 the wholesaler or dealer;



- 1 (8) 13.00 cents for each cigarette sold, used, or
2 possessed by a wholesaler or dealer on and after July
3 1, 2009, whether or not sold at wholesale, or if not
4 sold, then at the same rate upon the use by the
5 wholesaler or dealer;
- 6 (9) 11.00 cents for each little cigar sold, used, or
7 possessed by a wholesaler or dealer on and after
8 October 1, 2009, whether or not sold at wholesale, or
9 if not sold, then at the same rate upon the use by the
10 wholesaler or dealer;
- 11 (10) 15.00 cents for each cigarette or little cigar sold,
12 used, or possessed by a wholesaler or dealer on and
13 after July 1, 2010, 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;
- 16 (11) 16.00 cents for each cigarette or little cigar sold,
17 used, or possessed by a wholesaler or dealer on and
18 after July 1, 2011, 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 (12) 18.00 cents for each cigarette or little cigar sold,
2 used, or possessed by a wholesaler or dealer on and
3 after July 1, 2025, 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 [~~(12)~~] (13) Seventy per cent of the wholesale price of each
7 article or item of tobacco products, other than large
8 cigars, electronic smoking devices, and e-liquids,
9 sold by the wholesaler or dealer on and after
10 September 30, 2009, whether or not sold at wholesale,
11 or if not sold, then at the same rate upon the use by
12 the wholesaler or dealer;

13 [~~(13)~~] (14) Fifty per cent of the wholesale price of each
14 large cigar of any length sold, used, or possessed by
15 a wholesaler or dealer on and after September 30,
16 2009, whether or not sold at wholesale, or if not
17 sold, then at the same rate upon the use by the
18 wholesaler or dealer; and

19 [~~(14)~~] (15) Seventy per cent of the wholesale price of each
20 electronic smoking device or e-liquid sold, used, or
21 possessed by a wholesaler or dealer on and after



1 January 1, 2024, whether or not sold at wholesale, or
2 if not sold, then at the same rate upon the use by the
3 wholesaler or dealer.

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

10 SECTION 2. Section 245-15, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "**§245-15 Disposition of revenues.** All moneys collected
13 pursuant to this chapter shall be paid into the state treasury
14 as state realizations to be kept and accounted for as provided
15 by law; provided that, of the moneys collected under the tax
16 imposed pursuant to:

- 17 (1) Section 245-3(a)(5), after September 30, 2006, and
18 prior to October 1, 2007, 1.0 cent per cigarette shall
19 be deposited to the credit of the Hawaii cancer
20 research special fund, established pursuant to section



1 304A-2168, for research and operating expenses and for
2 capital expenditures;

3 (2) Section 245-3(a) (6), after September 30, 2007, and
4 prior to October 1, 2008:

5 (A) 1.5 cents per cigarette shall be deposited to the
6 credit of the Hawaii cancer research special
7 fund, established pursuant to section 304A-2168,
8 for research and operating expenses and for
9 capital expenditures;

10 (B) 0.25 cents per cigarette shall be deposited to
11 the credit of the trauma system special fund
12 established pursuant to section 321-22.5; and

13 (C) 0.25 cents per cigarette shall be deposited to
14 the credit of the emergency medical services
15 special fund established pursuant to section 321-
16 234;

17 (3) Section 245-3(a) (7), after September 30, 2008, and
18 prior to July 1, 2009:

19 (A) 2.0 cents per cigarette shall be deposited to the
20 credit of the Hawaii cancer research special
21 fund, established pursuant to section 304A-2168,



- 1 for research and operating expenses and for
2 capital expenditures;
- 3 (B) 0.5 cents per cigarette shall be deposited to the
4 credit of the trauma system special fund
5 established pursuant to section 321-22.5;
- 6 (C) 0.25 cents per cigarette shall be deposited to
7 the credit of the community health centers
8 special fund established pursuant to section 321-
9 1.65; and
- 10 (D) 0.25 cents per cigarette shall be deposited to
11 the credit of the emergency medical services
12 special fund established pursuant to section 321-
13 234;
- 14 (4) Section 245-3(a)(8), after June 30, 2009, and prior to
15 July 1, 2013:
- 16 (A) 2.0 cents per cigarette shall be deposited to the
17 credit of the Hawaii cancer research special
18 fund, established pursuant to section 304A-2168,
19 for research and operating expenses and for
20 capital expenditures;



- 1 (B) 0.75 cents per cigarette shall be deposited to
- 2 the credit of the trauma system special fund
- 3 established pursuant to section 321-22.5;
- 4 (C) 0.75 cents per cigarette shall be deposited to
- 5 the credit of the community health centers
- 6 special fund established pursuant to section 321-
- 7 1.65; and
- 8 (D) 0.5 cents per cigarette shall be deposited to the
- 9 credit of the emergency medical services special
- 10 fund established pursuant to section 321-234;
- 11 (5) Section 245-3(a)(11), after June 30, 2013, and prior
- 12 to July 1, 2015:
- 13 (A) 2.0 cents per cigarette shall be deposited to the
- 14 credit of the Hawaii cancer research special
- 15 fund, established pursuant to section 304A-2168,
- 16 for research and operating expenses and for
- 17 capital expenditures;
- 18 (B) 1.5 cents per cigarette shall be deposited to the
- 19 credit of the trauma system special fund
- 20 established pursuant to section 321-22.5;



- 1 (C) 1.25 cents per cigarette shall be deposited to
- 2 the credit of the community health centers
- 3 special fund established pursuant to section 321-
- 4 1.65; and
- 5 (D) 1.25 cents per cigarette shall be deposited to
- 6 the credit of the emergency medical services
- 7 special fund established pursuant to section 321-
- 8 234; [~~and~~]
- 9 (6) Section 245-3(a)(11), after June 30, 2015, and
- 10 [~~thereafter:~~] prior to July 1, 2025:
- 11 (A) 2.0 cents per cigarette shall be deposited to the
- 12 credit of the Hawaii cancer research special
- 13 fund, established pursuant to section 304A-2168,
- 14 for research and operating expenses and for
- 15 capital expenditures;
- 16 (B) 1.125 cents per cigarette, but not more than
- 17 \$7,400,000 in a fiscal year, shall be deposited
- 18 to the credit of the trauma system special fund
- 19 established pursuant to section 321-22.5;
- 20 (C) 1.25 cents per cigarette, but not more than
- 21 \$8,800,000 in a fiscal year, shall be deposited



1 to the credit of the community health centers
2 special fund established pursuant to section 321-
3 1.65; and

4 (D) 1.25 cents per cigarette, but not more than
5 \$8,800,000 in a fiscal year, shall be deposited
6 to the credit of the emergency medical services
7 special fund established pursuant to section 321-
8 234[-]; and

9 (7) Section 245-3(a)(12), after June 30, 2025, and
10 thereafter:

11 (A) 4.0 cents per cigarette shall be deposited to the
12 credit of the Hawaii cancer research special
13 fund, established pursuant to section 304A-2168,
14 for research and operating expenses and for
15 capital expenditures;

16 (B) 1.125 cents per cigarette, but not more than
17 \$7,400,000 in a fiscal year, shall be deposited
18 to the credit of the trauma system special fund
19 established pursuant to section 321-22.5;

20 (C) 1.25 cents per cigarette, but not more than
21 \$8,800,000 in a fiscal year, shall be deposited



1 to the credit of the community health centers
2 special fund established pursuant to section 321-
3 1.65; and
4 (D) 1.25 cents per cigarette, but not more than
5 \$8,800,000 in a fiscal year, shall be deposited
6 to the credit of the emergency medical services
7 special fund established pursuant to section 321-
8 234.

9 The department shall provide an annual accounting of these
10 dispositions to the legislature."

11 SECTION 3. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 4. This Act shall take effect on July 1, 3000.



Report Title:

Cigarette Tax; Disposition of Revenues; Hawaii Cancer Research
Special Fund

Description:

Beginning 7/1/2025, increases the cigarette tax and amends the
cigarette tax disposition of revenues by allocating the increase
in the cigarette tax amount to the Hawaii Cancer Research
Special Fund. Effective 7/1/3000. (HD1)

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