

---

---

# 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)        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~~] no 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~~] no 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~~] no 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) \_\_\_\_\_ cents per cigarette shall be deposited to  
12 the 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) \_\_\_\_\_ cents per cigarette, but no more than  
17 \$ \_\_\_\_\_ 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) \_\_\_\_\_ cents per cigarette, but no more than  
21 \$ \_\_\_\_\_ 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)             cents per cigarette, but no more than  
5                   \$                  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.



H.B. NO. 441  
H.D. 2

**Report Title:**

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

**Description:**

Beginning 7/1/2025, amends 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. (HD2)

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

