
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1 SECTION 1. The legislature finds that the increasing
2 number of deliveries into residential neighborhoods has led to
3 growing numbers of large trucks speeding through areas where
4 families and children play, walk, and bike to school, raising
5 the risk of dangerous situations, injuries, and fatalities.

6 Therefore, the purpose of this Act is to:

7 (1) Establish a retail delivery safety fee on the delivery
8 transactions causing deliveries to enter neighborhoods
9 to help pay for the safety upgrades necessary to
10 better protect local families and students from the
11 increasing risk of delivery vehicles; and

12 (2) Require the fee be deposited into the safe routes to
13 school special fund to initiate and execute
14 safety-related projects.

15 SECTION 2. The Hawaii Revised Statutes is amended by
16 adding a new chapter to title 14 to be appropriately designated
17 and to read as follows:



1 "CHAPTER

2 RETAIL DELIVERY SAFETY FEE

3 § -1 Definitions. As used in this chapter:

4 "Director" means the director of taxation.

5 "Drugs and medical devices" means:

6 (1) Drugs, including over-the-counter drugs;

7 (2) Single-use finger-pricking devices for the extraction
8 of blood and other single-use devices and single-use
9 diagnostic agents used in diagnosing, monitoring, or
10 treating diabetes;

11 (3) Insulin and medical oxygen for human use, regardless
12 of whether prescribed or sold over the counter;

13 (4) Prosthetic devices;

14 (5) Durable medical equipment for home use only;

15 (6) Mobility enhancing equipment;

16 (7) Prescription corrective eyeglasses;

17 (8) Kidney dialysis equipment, including repair and
18 replacement parts; and

19 (9) Items purchased in transactions covered by medicare or
20 medicaid.



1 "Food and beverage service establishment" means a building,
2 structure, enclosure, or any part of a building, structure, or
3 enclosure used as, maintained as, advertised as, or held out to
4 be an operation that prepares, serves, or otherwise provides
5 food or beverages, or both, for human consumption. "Food and
6 beverage service establishment" includes grocery stores.

7 "Food and food ingredients" means substances, whether in
8 liquid, concentrated, solid, frozen, dried, or dehydrated form,
9 that are sold for ingestion or chewing by humans and are
10 consumed for their taste or nutritional value.

11 "Marketplace facilitator" has the meaning as defined in
12 section 237-1.

13 "Person" has the meaning as defined in section 237-1.

14 "Prepared food" means food that meets either of the
15 following conditions:

16 (1) The food is sold with eating utensils provided by the
17 seller, including plates, knives, forks, spoons,
18 glasses, cups, napkins, or straws; or

19 (2) The food is sold in a heated state or heated by the
20 seller or two or more food ingredients are mixed or



combined by the seller for sale as a single item,
except for:

(A) Bakery items, including but not limited to bread,
rolls, buns, biscuits, bagels, croissants,
pastries, donuts, danishes, cakes, tortes, pies,
tarts, muffins, bars, cookies, and tortillas;

(B) Ready-to-eat meat and seafood in an unheated
state sold by weight;

(C) Eggs, fish, meat, poultry, and foods containing
these raw animal foods requiring cooking by the
consumer as recommended in section 3-401.11 Food
and Drug Administration Food Code so as to
prevent food borne illnesses; or

(D) Food that is only sliced, repackaged, or
pasteurized by the seller.

"Retail delivery" means a delivery to a person located in
the State of the following items as part of a retail sale:

(1) Tangible personal property that is subject to taxation
under chapter 237; and

(2) Clothing.



1 "Retail delivery" does not include pickup at the retailer's
2 place of business, including curbside delivery.

3 "Retail delivery fee" means the fee imposed under
4 section -2.

5 "Retail sale" includes the sale of tangible personal
6 property for consumption or use by the purchaser and not for
7 resale, the renting of tangible personal property, and the
8 rendering of services by one engaged in a service business or
9 calling, as defined in section 237-7, to a person who is not
10 purchasing the services for resale.

11 "Retailer" means any person making sales, leases, or rental
12 of personal property or services within or into the State.

13 "Retailer" includes a:

- 14 (1) Retailer maintaining a place of business in the State;
15 (2) Marketplace facilitator maintaining a place of
16 business in the State, pursuant to section 237-4.5;
17 (3) Retailer not maintaining a place of business in the
18 State; and
19 (4) Marketplace facilitator not maintaining a place of
20 business in the State, pursuant to section 237-4.5.



1 § -2 **Fee imposed.** (a) A fee is imposed on each
2 retailer equal to cents on each transaction involving
3 retail delivery in the State. The retailer may collect the fee
4 from the purchaser. If separately stated on the invoice, bill
5 of sale, or similar document given to the purchaser, the fee
6 shall be excluded from the sales price for purposes of the tax
7 imposed under chapter 237.

8 (b) If the retailer collects the fee from the purchaser:

9 (1) The retail delivery fee shall be charged in addition
10 to any other delivery fee;

11 (2) The retailer shall show the total of the retail
12 delivery fee and other delivery fees as separate items
13 and distinct from the sales price and any other taxes
14 or fees imposed on the retail delivery on the
15 purchaser's receipt, invoice, or other bill of sale;
16 and

17 (3) The receipt, invoice, or other bill of sale shall
18 state the retail delivery fee as "retail delivery
19 fee".

20 (c) The fee shall be imposed once per transaction
21 regardless of the number of shipments necessary to deliver the



1 items of tangible personal property purchased or of the number
2 of items of tangible personal property purchased.

3 (d) The fee imposed shall be nonrefundable if any or all
4 items purchased are returned to a retailer or if the retailer
5 provides a refund or credit in the amount equal to or less than
6 the purchase price. The fee shall be refunded to the purchaser
7 if the retail delivery is canceled by the purchaser, retailer,
8 or delivery provider.

9 § -3 **Exemptions.** The following retail deliveries are
10 exempt from the fee imposed by this chapter:

11 (1) A retail delivery resulting from a retail sale of food
12 and food ingredients or prepared food;

13 (2) A retail delivery resulting from a retail sale by a
14 food and beverage service establishment, regardless of
15 whether the retail delivery is made by a third party
16 other than the food and beverage service
17 establishment; and

18 (3) A retail delivery of drugs and medical devices.

19 § -4 **Collection and administration.** (a) A retailer
20 shall report the fee on a return prescribed by the director and
21 shall remit the fee with the return. The return and fee shall



1 be filed and paid using the filing cycle and due dates provided
2 for taxes imposed under chapter 237.

3 (b) A retailer that collects the fee from the purchaser
4 shall collect the fee in the same manner as the tax collected
5 under chapter 237. A retailer using a third-party entity to
6 collect and remit the tax imposed under chapter 237 may elect to
7 have that third-party entity collect and remit the
8 fee imposed under this chapter.

9 (c) Unless specifically provided otherwise by this
10 chapter, the audit, assessment, refund, penalty, interest,
11 enforcement, collection remedies, appeal, and administrative
12 provisions of chapter 237 shall apply to the fee imposed under
13 this chapter.

14 § -5 **Deposit of proceeds.** (a) The director may retain
15 an amount that does not exceed the total cost of collecting,
16 administering, and enforcing the retail delivery fee and shall
17 deposit the amount into the state general fund.

18 (b) After subtracting the deposits under section -5(a),
19 the director shall deposit the balance of proceeds from the
20 retail delivery safety fee into the safe routes to school
21 program special fund."



SECTION 3. Section 291C-4, Hawaii Revised Statutes, is amended to read as follows:

"§291C-4 Safe routes to school program special fund; establishment. There is established in the state treasury the safe routes to school program special fund, into which shall be deposited:

(1) Assessments collected for speeding in a school zone, pursuant to section 291C-104; ~~and~~

(2) Safe routes to school program surcharges collected in accordance with sections 291-16 and 291C-5~~[-]~~; and

(3) Retail delivery safety fees collected pursuant to section -4."

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

SECTION 5. This Act shall take effect on July 1, 2050; provided that section 2 shall apply to taxable years beginning after December 21, 2025.



Report Title:

Department of Taxation; Retail Delivery Safety Fee; Retailers;
Exemptions; Safe Routes to School Special Fund

Description:

Establishes the retail delivery safety fee of 50 cents to be imposed on a retailer for each transaction involving a non-food item retail delivery in the State. Allows the retailer to transfer the fee to the purchaser. Creates certain exemptions. Requires the Director of Taxation to deposit the collected fees into the Safe Routes to School Program Special Fund. Allows the Director of Taxation to deposit collected fees that cover the administration of the retail delivery safety fee into the state general fund. Effective 7/1/2050. (SD1)

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