

ACT 51

S. B. NO. 201

A Bill for an Act Relating to the Fuel Tax.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 243-4(b), Hawaii Revised Statutes, is amended to read:

“(b) Every distributor of diesel oil shall, in addition to the tax required by subsection (a) of this section, pay a license tax to the department for each gallon of such diesel oil sold or used by him for operating a motor vehicle or motor vehicles upon the public highways of the State. The rates of the additional tax hereby imposed are as follows:

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- (1) For each gallon of diesel oil so sold in the city and county of Honolulu, or in any other county for ultimate use in the city and county of Honolulu, or used in the city and county of Honolulu, 4 cents state tax, and in addition thereto to such amount, to be known as the 'city and county of Honolulu fuel tax', as shall be levied pursuant to section 243-5.
- (2) For each gallon of diesel oil so sold in the county of Hawaii, or in any other county for ultimate use in county of Hawaii, or used in the county of Hawaii, 4 cents state tax, and in addition thereto such amount, to be known as the 'county of Hawaii fuel tax', as shall be levied pursuant to section 243-5.
- (3) For each gallon of diesel oil so sold in the county of Maui, or in any other county for ultimate use in county of Maui, or used in the county of Maui, 4 cents state tax, and in addition thereto such amount, to be known as the 'county of Maui fuel tax', as shall be levied pursuant to section 243-5.
- (4) For each gallon of diesel oil so sold in the county of Kauai, or in any other county for ultimate use in county of Kauai, or used in the county of Kauai, 4 cents state tax, and in addition thereto such amount, to be known as the 'county of Kauai fuel tax', as shall be levied pursuant to section 243-5.

If any user of diesel oil furnishes a certificate, in such form as the department shall prescribe, to the distributor, or the distributor who uses diesel oil signs such certificate, certifying that the diesel oil is for use in operating a motor vehicle or motor vehicles in areas other than upon the public highways of the State, the tax as provided in paragraphs (1) to (4) of this subsection shall not be applicable. In the event a certificate is not or cannot be furnished and the diesel oil is in fact for use for operating a motor vehicle or motor vehicles in areas other than upon the public highways of the State, the user thereof may obtain a refund of all taxes thereon imposed by the foregoing paragraphs. The department shall prescribe rules and regulations to administer the refunding of such taxes."

SECTION 2. Section 243-4(c), Hawaii Revised Statutes, is amended to read:

"(c) The tax shall not be collected in respect to any liquefied petroleum gas, benzol, benzene, toluol, or xylol sold for use other than for operating internal combustion engines. With respect to these products, other than liquefied petroleum gas, the department by regulation shall provide for the reporting and payment of the tax and for the keeping of records in respect thereto, in such manner as to collect, for each gallon of such product sold for use in internal combustion engines for the generation of power, or so used, the same tax or taxes as apply to each gallon of diesel oil. With respect to liquefied petroleum gas, the only tax collected shall be that provided in paragraphs (1), (2), and (3) of this subsection. This subsection shall not apply to aviation fuel sold for use in or used for airplanes.

- (1) Every distributor of any liquefied petroleum gas for operations of an internal combustion engine shall pay a license tax to the depart-

ment of 1 cent for each gallon of such liquefied petroleum gas sold or used by him.

- (2) Every distributor shall, in addition to the tax required under paragraph (1) of this subsection, pay a license tax to the department for each gallon of liquefied petroleum gas sold or used by him for operating a motor vehicle or motor vehicles upon the public highways of the state at a rate equal to two-thirds of the rates applicable to diesel oil in subsection (b), rounded to the nearest cent, and the taxes so paid shall be paid into the State treasury and deposited in special funds or paid over in the same manner as provided in subsection (b) in respect of the tax on diesel oil.
- (3) If any user of liquefied petroleum gas furnishes to the distributor a certificate, in such form as the department shall prescribe, or the distributor who uses liquefied petroleum gas signs such certificate, certifying that the liquefied petroleum gas is for use in operating a motor vehicle or motor vehicles in areas other than upon the public highways of the state, the tax as provided by paragraphs (1) and (2) of this section shall not be applicable; provided, that no certificate shall be required if the liquefied petroleum gas is used for fuel and heating purposes in the home. In the event a certificate is not or cannot be furnished and the liquefied petroleum gas is in fact used for operating an internal combustion engine or operating a motor vehicle or motor vehicles in areas other than upon the public highways of the state, the user thereof may obtain a refund of all taxes thereon imposed by such paragraphs. The department shall prescribe rules and regulations to administer the refunding of such taxes imposed."

SECTION 3. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.*

SECTION 4. This Act, upon its approval, shall be effective from July 1, 1971.

(Approved May 17, 1971.)

* Edited accordingly.