

A Bill for an Act Relating to Gasohol.

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

SECTION 1. The purpose of this Act is to provide the incentives to encourage the purchase of gasohol by the consumer.

SECTION 2. Chapter 237, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“Sec. 237- Exemption of sale of gasohol.** (a) There shall be exempted from and excluded from the measure of the taxes imposed by this chapter all of the gross proceeds arising from the sale of gasohol by retail dealers from July 1, 1980 to July 1, 1985, or sooner if the director of taxation determines by rule under chapter 91 that the exemption granted by this section is no longer needed as an incentive and terminates the exemption.

(b) As used in this section:

- (1) “Gasohol” means a gasoline and alcohol liquid fuel mixture consisting of at least ten per cent ethanol (biomass derived) commercially usable as a fuel to power automobiles or other motorized vehicles.
- (2) “Retail dealer” means and includes a person who sells the gasohol at retail. Only sales of gasohol for consumption or used by the purchaser, and not for resale, are sales at retail.

(c) The director of taxation shall annually submit a written report to the governor and legislature prior to the regular session of the legislature indicating a comparison of the number of gallons and average price per gallon of gasohol and gasoline sold in the State at the retail level and the director’s recommendations as to whether the exemption under this section should continue at the current or at a lesser amount when the total exemption is no longer needed as an incentive to retailers and consumers for the marketing and use of gasohol.

(d) The director of taxation shall adopt rules pursuant to chapter 91 necessary to administer this section.”

SECTION 3. New statutory material is underscored.\*

SECTION 4. This Act shall take effect upon its approval.

(Approved June 16, 1980.)

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\*The text has been edited pursuant to HRS §23G-16.5, authorizing omission of the brackets, bracketed material, and underscoring.