

ACT 10

H.B. NO. 1207

A Bill for an Act Relating to the Cigarette Tax.

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

SECTION 1. Section 245-3, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

- “(b) The taxes, however, are subject to the following limitations:
- (1) The measure of the taxes shall not include any cigarettes or tobacco products exempted, and so long as the same are exempted, from the imposition of taxes by the Constitution or laws of the United States; [and]
  - (2) The measure of taxes shall exempt and exclude all sales of cigarettes and tobacco products to the United States (including any agency or instrumentality thereof that is wholly owned or otherwise so constituted as to be immune from the levy of a tax under this chapter), sold by any person licensed under this chapter; and
  - [(2)] (3) The taxes shall be paid only once in respect of the same cigarettes or tobacco product. This limitation shall not prohibit the imposition of the excise tax on receipts from sales of tobacco products under subsection (a)(2); provided that the amount subject to the tax on each sale shall not include amounts previously taxed under this chapter.”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun, before its effective date.

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act, upon its approval, shall take effect retroactively and shall apply to taxable periods beginning after June 30, 1993.

(Approved April 6, 1999.)