

ACT 90

H.B. NO. 1370

A Bill for an Act Relating to Taxation.

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

SECTION 1. The legislature finds that the existing taxation scheme on beer is confusing, burdensome, and unfairly discriminatory. A lower tax rate is imposed on draft beer, which is statutorily defined as beer in an individual container of seven gallons or more. However, the container size requirement does not align with industry practices, and no other alcohol is taxed based on the size of the container from which it is dispensed. Most retailers, restaurants, and bars, as well as many local small brewers, dispense what is commonly referred to as draft beer from kegs smaller than seven gallons. This is due to the restricted space available to restaurants in the State and limited production of small brewers. The purpose of this Act is to amend the definition of “draft beer” to address this discrepancy.

SECTION 2. Section 244D-1, Hawaii Revised Statutes, is amended by amending the definition of “draft beer” to read as follows:

““Draft beer” means beer in an individual container of [~~seven~~] five gallons or more.”

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 Statutory material to be repealed is bracketed and stricken.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

SECTION 4. This Act shall take effect on January 1, 2026.

(Approved May 27, 2025.)