

Recent Tax Increase Measures

2006 Legislative Session			
TOBACCO	SB 2961, CD-1	Increases the tax on cigarettes from 7 cents to 8 cents after 9/30/06, to 9 cents after 9/30/07, to 10 cents after 9/30/08, to 11 cents after 9/30/09, to 12 cents after 9/30/10, and to 13 cents after 9/30/11. Provides that the moneys collected in excess of what would have been collected at 7 cents per cigarette shall be distributed as follows: from 9/30/06 to 9/29/07, 1 cent shall be deposited into the Hawaii cancer research fund; from 9/30/07 to 9/29/08: 1.5 cents to be deposited into the Hawaii cancer research fund; 0.25 cents paid into the trauma system special fund; and 0.25 cents deposited into the emergency medical services special fund; from 9/30/08 to 9/29/09: 2.0 cents to be deposited into the Hawaii cancer research fund; 0.5 cents paid into the trauma system special fund; 0.25 cents deposited into the community health centers special fund, and 0.25 cents deposited into the emergency medical services special fund; from 9/30/09 to 9/29/10: 2.0 cents to be deposited into the Hawaii cancer research fund; 0.75 cents paid into the trauma system special fund; 0.75 cents deposited to the community health centers special fund, and 0.5 cents deposited into the emergency medical services special fund; from 9/30/10 to 9/29/11: 2.0 cents to be deposited into the Hawaii cancer research fund; 1.0 cent paid into the trauma system special fund; 1.0 cent deposited into the community health centers special fund, and 1.0 cent deposited into the emergency medical services special fund; from 9/30/11 and thereafter: 2.0 cents deposited into the Hawaii cancer research fund; 1.5 cents paid into the trauma system special fund; 1.25 cents deposited into the community health centers special fund; and 1.25 cents deposited into the emergency medical services special fund. Effective date: 7/1/06.	Pending Governor
2005 Legislative Session			
GENERAL EXCISE	HB 1309, CD-1	Authorizes the counties to impose a county surcharge on the state's general excise and use tax of up to 0.5% for operating or capital costs of a locally preferred alternative for a mass transit project (C & C of Honolulu), operating or capital costs of public transportation within each county for public transportation systems (other counties) and expenses for complying with the ADA act of 1990. The department of taxation is to administer and collect the surcharge and the director of finance is to retain 10% of the proceeds realized by the county for the cost of administration. Any county wishing to impose the surcharge must do so by ordinance provided that: (1) a public hearing has been conducted on the proposed ordinance; (2) the ordinance has been adopted by December 31, 2005; and (3) the county surcharge on state tax shall not be levied prior to January 1, 2007. Does not impose the county surcharge on goods or services taxable at the 0.5% or 0.15% rate or those exempt from the general excise or use tax. Stipulates that if a county does not adopt an ordinance to impose the county surcharge on state tax by December 31, 2005, they shall be prohibited from imposing a county surcharge on the state tax. This act shall be repealed on December 31, 2022.	ACT 247 (became law without Governor's signature)
CONVEY- ANCE	HB 1308, CD-1	Imposes a conveyance tax of 10 cents per \$100 of conveyances under \$600,000; 20 cents per \$100 for conveyances between \$600,000 and \$1 million; and 30 cents per \$100 for conveyances in excess of \$1 million. Also imposes a conveyance tax for condominiums or single family residences that do not qualify for a homeowners' exemption of 15 cents per \$100 for properties valued up to \$600,000, 25 cents per \$100 for properties valued between \$600,000 and \$1 million, and 35 cents per \$100 for properties valued at over \$1 million. Provides that 10% of all conveyance tax revenues shall be paid into the land conservation fund and increases the amount deposited into the rental housing trust fund from 25% to 30%. (97)	ACT 156
2004 Legislative Session			
MOTOR VEHICLE	SB 2690, CD-1	Increases the motor vehicle registration fee by \$5 to \$25 and deposits \$20 into the highway fund and \$5 into the emergency medical services special fund to supplement the emergency medical system.	ACT 158
MISC.	HB 2883, CD-1	Establishes a monthly surcharge of 66 cents on each cellular phone number to provide funds to implement a wireless enhanced 911 system to provide a caller's location to a public safety answering point. The surcharge shall be deposited into a newly established wireless enhanced 911 special fund. Also establishes a wireless enhanced 911 board to administer the fund.	ACT 159

2002 Legislative Session

TOBACCO	HB 2741, CD-1	Increases the tax on cigarettes from 5 cents to 6 cents, effective 10/1/02; to 6.5 cents, effective 7/1/03; and to 7 cents, effective 7/1/04.	ACT 246
MISC.	HB 1256, CD-1	Establishes a nonrefundable 0.5% beverage container fee effective 10/1/02 and increases the rate to 1 cent per beverage container on 10/1/04. Beginning 1/1/05, the rate shall be 1 cent if the recovery rate is 70% or less or 1.5 cents if the recovery rate is greater than 70%. The advance glass disposal fee shall not apply to glass beverage containers as of 10/01/04. A refundable deposit fee of 5 cents per beverage container will be collected by the beverage distributor from the dealer or consumer. Requires all retailers of beverages to take back the used beverage containers and make a refund of the deposit fee unless they are located within two miles of a redemption center or meet other criteria.	ACT 176