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June 7, 2010

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2010-08

RE: Act 90, Session Laws of Hawaii 2010, Relating to Taxation; Tobacco Taxation of Large Cigars

On May 11, 2010, Governor Linda Lingle signed into law Senate Bill 1230 SD 2 HD 1 CD 1, which became law as Act 90, Session Laws of Hawaii 2010.

The Act adds a definition of "large cigar" in Chapter 245, Hawaii Revised Statutes (HRS), Hawaii tobacco tax law. Large cigar is defined as "any roll for smoking made wholly or in part of tobacco if such product is wrapped in any substance containing tobacco and weighs more than four pounds per thousand."

Act 90 also eliminates the definition of "little cigar" as being measured by a ring gauge and defines little cigar as any roll for smoking wrapped in a tobacco substance other than natural leaf tobacco and which weighs not more than four pounds per thousand rolls.

The Act also amends the taxation of tobacco products by expressly taxing large cigars at the rate of 50% of wholesale price.

For more information on this Act, please contact the Rules Office at 808-587-1577.

KURT KAWAFUCHI
Director of Taxation