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January 29, 2016

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2016-02

RE: Fuel tax rates reinstated for Diesel, Gasoline and Naphtha, Effective January 1, 2016

Act 188, SLH 2012, sunseted on December 31, 2015. Section 243-4(a), Hawaii Revised Statutes, reverts to the tax rate for diesel oil and gasoline or other aviation fuel sold for use in or used for airplanes to 1 cent for each gallon which was in effect on May 29, 2007 and removes the definition of "Power-generating facility".

Naphtha will be taxed at the liquid fuel tax rate. Naphtha will continue to be reported separately from the liquid fuel due to federal reporting requirements.

Forms and other tax information may be downloaded from the Department's website at tax.hawaii.gov.

/s/
MARIA E. ZIELINSKI
Director of Taxation

HRS Section Explained: HRS Sections 243-1 and 243-4(a)

Schedule of Fuel Tax Rates
(Effective January 1, 2016)
(Fuel tax rates in cents per gallon)

TYPE OF FUEL		STATE TAX	COUNTY TAX	TOTAL TAX
AVIATION FUEL				
	All Counties	1.0	0	1.0
NAPHTHA				
	City & County of Honolulu	16.0	16.5	32.5
	County of Maui	16.0	18.0	34.0
	County of Hawaii	16.0	8.8	24.8
	County of Kauai	16.0	17.0	33.0
DIESEL OIL (OFF HIGHWAY)				
	All Counties	1.0	0	1.0
DIESEL OIL (ON HIGHWAY)				
	City & County of Honolulu	16.0	16.5	32.5
	County of Maui	16.0	18.0	34.0
	County of Hawaii	16.0	8.8	24.8
	County of Kauai	16.0	17.0	33.0
GASOLINE & ALL OTHER LIQUID FUEL				
	City & County of Honolulu	16.0	16.5	32.5
	County of Maui	16.0	18.0	34.0
	County of Hawaii	16.0	8.8	24.8
	County of Kauai	16.0	17.0	33.0
BIODIESEL (ON HIGHWAY)				
	City & County of Honolulu	4.0	8.3	12.3
	County of Maui	4.0	9.0	13.0
	County of Hawaii	4.0	0	4.0
	County of Kauai	4.0	0	4.0
COMPRESSED NATURAL GAS[1]				
	City & County of Honolulu	4.0	8.2	12.2
	County of Maui	4.0	8.9	12.9
	County of Hawaii	4.0	4.4	8.4
	County of Kauai	4.0	8.4	12.4
ETHANOL				
	City & County of Honolulu	2.4	2.4	4.8
	County of Maui	2.4	4.2	6.6
	County of Hawaii	2.4	1.3	3.7
	County of Kauai	2.4	2.5	4.9

TYPE OF FUEL	STATE TAX	COUNTY TAX	TOTAL TAX
LIQUEFIED NATURAL GAS[1]			
City & County of Honolulu	4.0	8.2	12.2
County of Maui	4.0	8.9	12.9
County of Hawaii	4.0	4.4	8.4
County of Kauai	4.0	8.4	12.4
LIQUEFIED PETROLEUM GAS			
City & County of Honolulu	5.2	5.4	10.6
County of Maui	5.2	4.7	9.9
County of Hawaii	5.2	2.9	8.1
County of Kauai	5.2	5.6	10.8
METHANOL			
City & County of Honolulu	1.9	1.8	3.7
County of Maui	1.9	3.2	5.1
County of Hawaii	1.9	1.0	2.9
County of Kauai	1.9	1.9	3.8

[1] Fuel Properties Comparison. (2014, October 29). Retrieved July 14, 2015, from http://www.afdc.energy.gov/fuels/fuel_comparison_chart.pdf

Schedule of Environmental Response, Energy, and Food Security Tax

(Effective July 1, 2015)
(Tax rates in dollars)

TYPE OF FUEL	STATE TAX	COUNTY TAX	TOTAL TAX
PETROLEUM PRODUCTS per barrel *			
City & County of Honolulu	1.05	0	1.05
County of Maui	1.05	0	1.05
County of Hawaii	1.05	0	1.05
County of Kauai	1.05	0	1.05
FOSSIL FUEL** per 1 million BTU			
City & County of Honolulu	0.19	0	0.19
County of Maui	0.19	0	0.19
County of Hawaii	0.19	0	0.19
County of Kauai	0.19	0	0.19

* Do not include aviation fuel pursuant to 49 USC §47133(a) and §47133(c)
**Fossil fuel does not include petroleum products taxed by the barrel

State CNG rate calculation = State diesel rate X [(128,621/130,000) X 0.25]
County CNG rate = County diesel rate X [(128,621/130,000) X 0.50]