DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR

MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

JOSEPH K. KIM
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1577
FAX NO: (808) 587-1584

July 15, 2016

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2016-05

RE: Fuel tax rates for Naphtha sold for use in a power-generating facility, Effective January 1, 2016
Revised Maui County Fuel Tax Rate, Effective July 1, 2016

Act 76, SLH 2016, amended Chapter 243, Hawaii Revised Statutes, to clarify that naphtha fuel, used in a power-generating facility, is subject to the fuel tax at a rate of 2 cents per gallon retroactive to January 1, 2016.

Maui County Resolution No. 16-79 changed the County of Maui fuel tax rates, effective July 1, 2016. Fuel tax rates for Maui, Molokai and Lanai are:

Gasoline & Diesel Oil	$0.230 per gallon
Biodiesel	$0.000 per gallon
Ethanol	$0.115 per gallon
Methanol	$0.115 per gallon
Liquefied Petroleum Gas (LPG)	$0.115 per gallon
Compressed Natural Gas (CNG)	$0.114 per gallon
Liquefied Natural Gas (LNG)	$0.114 per gallon

CNG and LNG changed due to the increase in the diesel rate. The fuel tax increases apply to fuel sold or used by distributors on or after July 1, 2016 (including stock that was purchased by distributors before July 1, 2016, but sold or used by distributors on or after July 1, 2016).

The applicable fuel tax forms are being revised and will be available shortly at the district offices of the Department of Taxation. See the attached schedules for the fuel tax rates for all counties.

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 July 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 (Power Generating Facility)[1]			
City & County of Honolulu	2.0	0	2.0
County of Maui	2.0	0	2.0
County of Hawaii	2.0	0	2.0
County of Kauai	2.0	0	2.0
DIESEL OIL (ON HIGHWAY)			
City & County of Honolulu	16.0	16.5	32.5
County of Maui	16.0	23.0[2]	39.0
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	23.0[2]	39.0
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	0[2]	4.0
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	11.4[2]	15.4
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	11.5[2]	13.9
County of Hawaii	2.4	1.3	3.7
County of Kauai	2.4	2.5	4.9
LIQUEFIED NATURAL GAS[1]			
City & County of Honolulu	4.0	8.2	12.2
County of Maui	4.0	11.4[2]	15.4
County of Hawaii	4.0	4.4	8.4
County of Kauai	4.0	8.4	12.4

TYPE OF FUEL	STATE TAX	COUNTY TAX	TOTAL TAX
LIQUEFIED PETROLEUM GAS			
City & County of Honolulu	5.2	5.4	10.6
County of Maui	5.2	11.5[2]	16.7
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	11.5[2]	13.4
County of Hawaii	1.9	1.0	2.9
County of Kauai	1.9	1.9	3.8

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 [3]			
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[4] 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

[1] Effective Retroactive to January 1, 2016, pursuant to Act 76, SLH 2016
[2] Effective July 1, 2016 pursuant to Maui County Resolution 16-79.
[3] Does not include aviation fuel pursuant to 49 USC §47133(a) and §47133(c)
[4] 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]