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July 3, 2017

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2017-06

RE: Revised Hawaii County Fuel Tax Rate, Effective August 1, 2017

Hawaii County Resolution No. 212-17 (Draft 2) increases the county of Hawaii's fuel tax rates effective August 1, 2017. The county of Hawaii fuel tax rates are:

Gasoline & Diesel Oil	$0.150 per gallon
Naphtha not used in a power-generating facility	$0.150 per gallon
Biodiesel	$0.000 per gallon
Ethanol	$0.022 per gallon
Methanol	$0.017 per gallon
Liquefied Petroleum Gas (LPG)	$0.050 per gallon
Compressed Natural Gas (CNG)	$0.074 per gallon
Liquefied Natural Gas (LNG)	$0.074 per gallon

Alternative Fuels rates changed due to the increase in the county diesel rate. The fuel tax increases apply to fuel sold or used by distributors on or after August 1, 2017 (including stock that was purchased by distributors before August 1, 2017, but sold or used by distributors on or after August 1, 2017). See the attached "Schedule of Fuel Tax Rates (Effective August 1, 2017)" for all counties.

This resolution also provides for increases in the fuel tax rates for diesel, gasoline, and liquid fuel sold or used by a distributor effective July 1, 2018 and July 1, 2019. The Department of Taxation will release an announcement for each increase in a timely manner before implementing the fuel tax increases.

The applicable fuel tax forms are being revised and will be available shortly at the district offices of the Department of Taxation. 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 August 1, 2017)
(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			
Used in a Power-Generating Facility – All Counties	2.0	0	2.0
City & County of Honolulu	16.0	16.5	32.5
County of Maui	16.0	23.0	39.0
County of Hawaii	16.0	15.0[1]	31.0
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	23.0	39.0
County of Hawaii	16.0	15.0[1]	31.0
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	39.0
County of Hawaii	16.0	15.0[1]	31.0
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	4.0
County of Hawaii	4.0	0	4.0
County of Kauai	4.0	0	4.0
COMPRESSED NATURAL GAS[2]			
City & County of Honolulu	4.0	8.2	12.2
County of Maui	4.0	11.4	15.4
County of Hawaii	4.0	7.4[3]	11.4
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	13.9
County of Hawaii	2.4	2.2[3]	4.6
County of Kauai	2.4	2.5	4.9

TYPE OF FUEL	STATE TAX	COUNTY TAX	TOTAL TAX
LIQUEFIED NATURAL GAS[2]			
City & County of Honolulu	4.0	8.2	12.2
County of Maui	4.0	11.4	15.4
County of Hawaii	4.0	7.4[3]	11.4
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	11.5	16.7
County of Hawaii	5.2	5.0[3]	10.2
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	13.4
County of Hawaii	1.9	1.7[3]	3.6
County of Kauai	1.9	1.9	3.8

[1.] Effective August 1, 2017 pursuant to Hawaii County Resolution 212-17 (Draft 2)
[2] Fuel Properties Comparison. (2014, October 29). Retrieved July 14, 2015, from http://www.afdc.energy.gov/fuels/fuel_comparison_chart.pdf
CNG – State rate = State diesel rate X [(128,621/130,000) X 0.25] and County rate = County diesel rate X [(128,621/130,000) X 0.50]
LNG – State rate = State diesel rate X [(128,621/130,000) X 0.25] and County rate = County diesel rate X [(128,621/130,000) X 0.50]
[3.] Per HRS§243-5, the amount fixed for alternative fuels may be proportional to the energy contents of the fuels, as determined by their lower heating values, times one-half multiplied by the county diesel rate effective August 1, 2017, pursuant to Hawaii County Resolution 212-17 (Draft 2)

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