

STATE OF HAWAII—DEPARTMENT OF TAXATION
INSTRUCTIONS FOR FORM M-22
QUARTERLY TAX RETURN FOR ADDITIONAL FUEL TAXES DUE

General Instructions

Form M-22 is completed by the purchaser of fuel to report and pay any additional State license and county fuel taxes due on:

1. Diesel oil or alternative fuel initially purchased for use off the public highways but subsequently used upon the public highways, and
2. Naphtha initially purchased for use in a power-generating facility but subsequently not used in a power-generating facility.

The fuel tax is comprised of three parts, the State license tax, the county fuel tax, and the environmental response tax. The amount of the *State license tax* is set by legislation. The *county fuel tax* varies by county and is set by county ordinance. The *environmental response tax* is 5 cents on each barrel (42 U. S. gallons) or fractional part of a barrel of petroleum product sold by a distributor to any retail dealer or end user (other than a refiner) of the petroleum product.

Definition of Certain Terms Used in Chapter 243, HRS

“**Alternative fuel**” means methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal-derived liquid fuels; biodiesel;

mixtures containing 20 percent or more by volume of biodiesel with diesel or other fuels; fuels (other than alcohol) derived from biological materials; and any other fuel that is substantially not a petroleum product and that the governor determines would yield a substantial energy security benefits or substantial environmental benefits.

“**Power-generating facility**” means any electricity-generating facility that requires a permit issued under the Federal Clean Air Act (42 U.S.C. 7401-7671q), the Hawaii air pollution control law (chapter 342B, HRS), or both.

When to File

Form M-22 must be filed on or before the last day of the month following the close of the filing period. If the due date falls on a Saturday, Sunday, or legal holiday, file by the next regular workday.

Where to File

File Form M-22 with:
Hawaii Department of Taxation
P.O. Box 259
Honolulu, Hawaii 96809-0259

Where to Get Forms, Instructions, and Publications

Forms, publications, and other documents, such as copies of Tax Information Releases and Administrative Rules issued by the Department, are available on the Department’s website at www.hawaii.gov/tax or you may

contact the customer service staff of our Taxpayer Services Branch at:

Voice: 808-587-4242
1-800-222-3229 (Toll-Free)

Telephone for the Hearing Impaired:
808-587-1418
1-800-887-8974 (Toll-Free)

Fax: 808-587-1488

E-mail: Taxpayer.Services@hawaii.gov

Mail: Taxpayer Services Branch
P.O. Box 259
Honolulu, HI 96809-0259

Signature

Form M-22 must be signed and dated by a person who is authorized to sign Form M-22.

Specific Instructions

Part I – Diesel Oil

Line 1(a) – Enter in columns (a) through (d) the number of gallons where the State license tax of 2 cents per gallon was previously paid on diesel fuel initially purchased for use off the public highways, but subsequently used on the public highways.

Line 1(b) – The tax rate is the sum of the State license tax rate for use upon public highways and the county fuel tax rate less the State license tax rate for off highway use.

Line 1(c) – Multiply line 1(a) by line 1(b) and enter the result in columns (a) through (d). Add the amounts reported

	Alternative Fuel Tax Rates			
	City & County of Honolulu	County of Maui	County of Hawaii	County of Kauai
Biodiesel	12.3¢ ^a	4¢ ^a	6.2¢ ^a /4¢ ^e	4¢ ^b
Compressed Natural Gas	2.1¢ ^a	2¢ ^a	1.5¢ ^a	1.8¢ ^a
Ethanol	4.8¢ ^a	6.2¢ ^a	3.7¢ ^a	4.3¢ ^a
Liquefied Natural Gas	7.1¢ ^a	6.9¢ ^a	4.9¢ ^a	6.1¢ ^a
LPG	10.6¢ ^a	9.5¢ ^a	8.1¢ ^a	9.5¢ ^a
Methanol	3.7¢ ^a	4.8¢ ^a	2.9¢ ^a	3.3¢ ^a

a Effective July 1, 2004, pursuant to Act 96, SLH 2004.

b Effective July 1, 2004, pursuant to Kauai County Ordinance No. 816.

e Effective October 1, 2007, pursuant to Hawaii County Resolution No. 109-07 (Draft 2).

on line 1(c) in columns (a) through (d), and report the total in column (e).

Line 2(a) – Enter in columns (a) through (d) the number of gallons where no tax was previously paid on diesel fuel initially purchased for use off the public highways, but subsequently used on the public highways.

Line 2(b) – The tax rate is the sum of the State license tax rate for use upon public highways and the county fuel tax rate.

Line 2(c) – Multiply line 2(a) by line 2(b) and enter the result in columns (a) through (d). Add the amounts reported on line 2(c) in columns (a) through (d), and report the total in column (e).

Line 3 – Add column (e), lines 1(c) and 2(c).

Part II – Alternative Fuel

Line 4(a) – Enter in columns (a) through (d) the type of alternative fuel and the number of gallons purchased where no tax was previously paid and the alternative fuel was initially purchased for use off the public highways but subsequently used upon the public highways. If you purchased more than one type of alternative fuel, attach a separate schedule for each type of alternative fuel reporting the information for lines 4(a) through 4(c). See the definition of alternative fuel on page 1.

Line 4(b) – Enter the tax rate for the alternative fuel purchased. See the table below for the alternative fuel tax rates.

Line 4(c) – Multiply line 4(a) by line 4(b) and enter the result in columns (a) through (d). Add the amounts reported on line 4(c) in columns (a) through (d), and report the total in column (e). If you are reporting more than one type of alternative fuel, add the amounts from each alternative fuel type schedule, and report the total amounts in columns (a) through (d), and the grand total of columns (a) through (d) in column (e).

Part III – Naphtha

Lines 5(a) – Enter in columns (a) through (d) the number of gallons where the state license tax of 1 cent or 2 cents per gallon was previously paid on naphtha initially purchased for use in a power-generating facility but subsequently not used in a power-generating facility. The tax rate for naphtha sold before July 1, 2009 for use in a power generating facility is 1 cent per gallon. The tax rate for sales on or after July 1, 2009 is 2 cents per gallon. See the definition of power-generating facility contained in these instructions.

Lines 5(b) – The tax rate is the sum of the State license tax rate and the county fuel tax rate for naphtha not used in a power-generating facility less the State license tax rate for naphtha used in a power-generating facility.

Lines 5(c) – Multiply line 5(a) by the applicable tax rate on line 5(b) and enter the result in columns (a) through (d). If you previously paid the tax at the rate of 1 cent per gallon, multiply line 5(a) by the higher tax rate. If you previously paid the tax at the rate of 2

cents per gallon, use the lower tax rate. Add the amounts reported on line 5(c) in columns (a) through (d), and report the total in column (e).

Lines 6(a) – Enter in columns (a) through (d) the number of gallons where no tax was previously paid on naphtha purchased.

Line 6(b) – The tax rate is the sum of the State license tax rate and the county fuel tax rate for all other types of liquid fuel (i.e., naphtha not used in a power-generating facility).

Line 6(c) – Multiply line 6(a) by line 6(b) and enter the result in columns (a) through (d). Add the amounts reported on line 6(c) in columns (a) through (d), and report the total in column (e).

Line 7 – Add column (e), lines 5(c) and 6(c).

Part IV – Total Taxes Now Due & Payable

Add column (e), lines 3, 4(c) and 7.

Part V – Summary of Gallons in the County of Maui

Lines 8-10 – Specify by island the number of gallons that are subject to the additional fuel taxes as reported in column (b) in Parts I, II, and III for the county of Maui. Enter the number of gallons of each type of fuel purchased for use on the island of Lanai in column (a), on the island of Molokai in column (b), and on the island of Maui in column (c). Add the amounts reported in columns (a) through (c) for each fuel type and report the total in column (d).