

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

## Changes You Should Note

Effective January 1, 2016, pursuant to Act 103, SLH 2007, Act 198, SLH 2009, and Act 188, SLH 2012, the reduced rate of the fuel tax for naphtha sold for use in a power-generating facility will sunset. Naphtha will now be taxed at the same tax rate as liquid fuel.

Effective January 1, 2016, Act 103, SLH 2007, Act 209, SLH 2007 and Act 188, SLH 2012, the license tax will revert to 1 cent for each gallon of diesel oil, gasoline or other aviation fuel for use in or used for airplanes. The state tax will revert to 16 cents for each gallon of liquid fuel.

Effective July 1, 2015, County of Maui, Resolution No. 15-54, increases the County of Maui fuel tax rates.

Effective July 1, 2015, Act 185, Session Laws of Hawaii 2015, the environmental response, energy, and food security tax is also imposed on \$0.19 on each one million British thermal units of fossil fuel sold by a distributor of the fossil fuel.

The July 1, 2015 liquefied natural gas (LNG) rates are based on the energy content of 128,714 BTU and the compressed natural gas (CNG) tax rates are based on the energy content of 128,621 BTU. This data is provided by the Alternative Fuels Data Center (AFDC).

## 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 purchased for use in a power-generating facility prior to January 1, 2016 but used after December 31, 2015 is taxed at the liquid fuel tax rate.

The fuel tax is comprised of three parts, the State license tax, the county fuel tax, and the environmental response, energy, and food security tax. The amount of the *State license tax* is set by legislation. The *county fuel tax* varies by county and is set by county or-

dinance. The *environmental response, energy, and food security tax* is \$1.05 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. The environmental response, energy, and food security tax is also imposed on \$0.19 on each one million British thermal units of fossil fuel sold by a distributor of the fossil fuel.

### 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.

### When to File

Form M-22 must be filed on or before the 20th 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

Mail Form M-22 and your fuel tax payment to:

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 [tax.hawaii.gov](http://tax.hawaii.gov) or you may contact a customer service representative 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](mailto: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

### Address

If your address is outside the United States or its possessions or territories, enter the information on the line for “City or town, State and Postal/ZIP Code” in the following order: city, province or state, postal code, and the name of the country. Do not abbreviate the country name.

### 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/1 cent 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 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**

**Line 5(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 naphtha purchased prior to January 1, 2016 but used after December 31, 2015.

**Line 5(b)** – The tax rate is the sum of the State license tax rate and the county fuel tax rate for naphtha less the State license tax rate for naphtha for purchases prior to January 1, 2016.

**Line 5(c)** – Multiply line 5(a) by the applicable tax rate on line 5(b) and enter the result in columns (a) through (d). Add the amounts reported on line 5(c) in columns (a) through (d), and report the total in column (e).

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

**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.

**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).

**Line 8** – Add column (e), lines 3, 4(c) and 7. The total taxes now due and payable as shown on line 8 must be paid in full with Form M-22. The tax may be paid by check or money order made payable to the “Hawaii State Tax Collector” in U.S. dollars drawn on any bank in the U.S. Do not send cash. To ensure that your payment is applied correctly, please type or print on your check or money order: (1) “Fuel”, (2) your federal employer identification number (FEIN) or social security number (SSN), (3) daytime phone number, and (4) the period ending date (MM/YY) and form number being filed (ex. 03/16 M-22).

**Part IV – Summary of Gallons in the County of Maui**

**Lines 9 - 11** – 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).

**Alternative Fuel Tax Rates**

	City & County of Honolulu	County of Maui	County of Hawaii	County of Kauai
Biodiesel	12.3¢	13¢ <sup>a</sup>	4¢	4¢
Compressed Natural Gas	12.2¢ <sup>c</sup>	12.9¢ <sup>c</sup>	8.4¢ <sup>c</sup>	12.4¢ <sup>c</sup>
Ethanol	4.8¢	6.6¢ <sup>a</sup>	3.7¢	4.9¢
Liquefied Natural Gas	12.2¢ <sup>b</sup>	12.9¢ <sup>a,b</sup>	8.4¢ <sup>b</sup>	12.4¢ <sup>b</sup>
LPG	10.6¢	9.9¢ <sup>a</sup>	8.1¢	10.8¢
Methanol	3.7¢	5.1¢ <sup>a</sup>	2.9¢	3.8¢

<sup>a</sup> Effective July 1, 2015, pursuant to Maui County Resolution No. 15-54.

<sup>b</sup> Effective July 1, 2015, LNG calculation is based on the energy content of 128,714 BTU

<sup>c</sup> Effective July 1, 2015, CNG calculation is based on the energy content of 128,621 BTU