

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

**Changes You Should Note**

Effective July 1, 2019, Maui County Resolution No. 19-100, created a new fuel tax category of Biodiesel Blend containing less than 100% of Biodiesel.

Effective September 1, 2019, taxpayers are required to file Form M-22 electronically. Act 66, Session Laws of Hawaii 2018, amended section 231-8.5, HRS to enable the Department of Taxation (Department) to require certain taxpayers to file electronically. For more information, see Department of Taxation Announcement No. 2019-2.

**General Instructions**

Form M-22 is completed by the end user 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, 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 ordinance. 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 fossil fuel at \$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.

“**Power-generating Facility**” means any electricity-generating facility that requires a permit issued under the federal Clean Air Act (42 U.S.C. 7401 through 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 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

Submit a check or money order payable to “HAWAII STATE TAX COLLECTOR” in U.S. dollars with this form. Write “fuel,” the period ending date, your FEIN or SSN, and daytime phone number on your check or money order.

Effective September 1, 2019, Form M-22 must be filed electronically.

**Penalty and Interest**

**Failure to File Electronically** - Effective September 1, 2019, Form M-22 MUST be filed electronically unless you obtain a waiver. (Use Form L-110 to apply for a waiver.) The penalty for failure to file Form M-22 electronically is 2% of the tax due.

**Interest** - Interest at the rate of 2/3 of 1% per month or part of a month shall be assessed on unpaid taxes and penalties beginning with the first calendar day after the date prescribed for payment, whether or not that first calendar day falls on a Saturday, Sunday, or legal holiday.

**Alternative Fuel Tax Rates**

	City & County of Honolulu	County of Maui	County of Hawaii	County of Kauai
Biodiesel	12.3¢	4¢	4¢	4¢
Compressed Natural Gas	12.2¢ <sup>b</sup>	15.4¢ <sup>b</sup>	13.4¢ <sup>b,c</sup> /15.4¢ <sup>d</sup>	12.4¢ <sup>b</sup>
Ethanol	4.8¢	13.9¢	5.2¢ <sup>c</sup> /5.7¢ <sup>d</sup>	4.9¢
Liquefied Natural Gas	12.2¢ <sup>a</sup>	15.4¢ <sup>a</sup>	13.4¢ <sup>a,c</sup> /15.4¢ <sup>d</sup>	12.4¢ <sup>a</sup>
LPG	10.6¢	16.7¢	11.5¢ <sup>c</sup> /12.8¢ <sup>d</sup>	10.8¢
Methanol	3.7¢	13.4¢	4¢ <sup>c</sup> /4.4¢ <sup>d</sup>	3.8¢
Biodiesel Blend	0.0¢	9.9¢ <sup>e</sup>	0.0¢	0.0¢

<sup>a</sup> Effective July 1, 2015, LNG calculation is based on the energy content of 128,714 BTU.  
<sup>b</sup> Effective July 1, 2015, CNG calculation is based on the energy content of 128,621 BTU.  
<sup>c</sup> Effective July 1, 2018, Hawaii County Resolution No. 212-17 (Draft 2)  
<sup>d</sup> Effective July 1, 2019, Hawaii County Resolution No. 212-17 (Draft 2).  
<sup>e</sup> Effective July 1, 2019, Biodiesel Blend is based on the energy content of 127,210 BTU and created based upon Maui County Resolution No. 19-100.

## **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

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

## **Signature**

Form M-22 must be signed and dated by the end user of the fuel or an authorized representative of the end user.

## **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.

If your mailing address has changed, and you do not notify the Department of the change, your address may not be updated and any important notices or correspondence to you may be delayed. To notify the Department of your new address, complete Form ITPS-COA, Change of Address Form.

### **Part I – Diesel Oil**

**Line 1(a)** – Enter in columns (a) through (d) the number of gallons where the State license tax of one 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 on page 1 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 two cents per gallon was previously paid on naphtha initially purchased for use in a power-generating facility but subsequently not used in a power-

er-generating facility. See the definition of a power-generating facility on page 1.

**Line 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.

**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 (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).

**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. 07/19 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).