

STAND. COM. REP. NO. 241 -06

Honolulu, Hawaii

FEB 10, 2006

RE: H.B. No. 1992
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 1992
entitled:

"A BILL FOR AN ACT RELATING TO CIGARETTE TAX,"

begs leave to report as follows:

The purpose of this bill is to provide increased healthcare
in rural areas of the state by increasing the cigarette tax by 2.5
cents per cigarette to fund the maintenance and operation of
federally qualified community health centers.

The American Heart Association of Hawaii, Hawaii Primary Care
Association, and Waianae Coast Comprehensive Health Center
supported this bill. The Department of Taxation opposed this
measure. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that tobacco use causes an overwhelming
number of health problems throughout the state and, therefore,
funds generated from the sale of tobacco products should be tapped
to assist in treating those health problems caused by its use.

Your Committee has amended this bill by:

- (1) Providing that native Hawaiian programs and programs
that assist the uninsured, which focus on smoking
cessation, prevention, education, and treatment of the
diseases caused by smoking shall also be eligible for

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funding from the Federally Qualified Community Health Center Special Fund; and

- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1992, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1992, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Health,



DENNIS A. ARAKAKI, Chair



