

STAND. COM. REP. NO. 1826

Honolulu, Hawaii

Ag 5, 2007

RE: S.B. No. 139
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 139, S.D. 1, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to ensure proper distribution of taxes collected from the sale of cigarettes by:

- (1) Clarifying that the cigarette tax collected pursuant to section 245-15, Hawaii Revised Statutes, will be assessed on a per cigarette basis;
- (2) Ensuring that the cigarette taxes collected are earmarked for designated special funds through the year 2011 and beyond; and
- (3) Ensuring that any interest earned or accrued by the moneys collected from the cigarette tax and placed in the Hawaii Cancer Research Special Fund will remain in the fund for use by the Cancer Research Center of Hawaii.

The Department of Health, University of Hawaii, Hawaii Primary Care Association, Healthcare Association of Hawaii, Queen's Medical Center, Hawaii Pacific Health, and Coalition for a

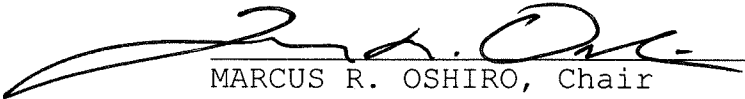
SB139 HD1 HSCR FIN HMS 2007-3495



Tobacco Free Hawaii testified in support of this bill. The Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 139, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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



MARCUS R. OSHIRO, Chair



