

STAND. COM. REP. NO. 2

Honolulu, Hawaii

JAN 30 2007

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

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committees on Health and Economic Development and  
Taxation, to which was referred S.B. No. 139 entitled:

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

beg leave to report as follows:

The purpose of this measure is to clarify that the cigarette  
tax collected pursuant to section 245-15, Hawaii Revised Statutes,  
shall be assessed on a per cigarette basis and to ensure that the  
cigarette taxes collected are earmarked for each special fund  
through the year 2011 and beyond.

Testimony in support of this measure was submitted by the  
Department of Taxation, the Department Of Health, the City and  
County of Honolulu Emergency Services Department, the Cancer  
Research Center of Hawaii, the American Cancer Society, the  
Coalition for a Tobacco-Free Hawaii, Hawaii Pacific Health, Hawaii  
Primary Care Association, The Queen's Medical Center, and the  
American Heart Association. Testimony discussing this measure was  
submitted by the Tax Foundation of Hawaii.

Your Committees find that clarification of Act 316, Session  
Laws of Hawaii 2006, is necessary to ensure that the cigarette tax  
is assessed on a per cigarette basis as the Legislature intended.  
Your Committees further find that, since the cigarette tax was  
implemented in September 2006, the Department of Taxation has  
collected the tax on a per cigarette basis.



It is the intent of your Committees to encourage the reduction of tobacco consumption by continuing the collection of cigarette tax revenues and ensuring that these revenues are properly administered and dispersed as the Legislature intended.

Your Committees amended this measure, in accordance with the recommendations submitted by the Department of Taxation, by amending the effective date of subsequent increases in the cigarette tax to begin after September 30, instead of September 29 of each respective year.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development and Taxation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 139, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 139, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Health and  
Economic Development and  
Taxation,


  
CAROL FUKUNAGA, Chair

  
DAVID Y. IGE, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Health**  
**HTH**

Bill / Resolution No.:* SB 139	Committee Referral: HTH/EDT, WAM	Date: 1/26/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
FUKUNAGA, Carol (VC)	✓			
BAKER, Rosalyn H.	✓			
MENOR, Ron				✓
WHALEN, Paul				✓
<b>TOTAL</b>	<b>3</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:            Original            Yellow            Pink File with Committee Report            Clerk's Office            Drafting Agency				

\*Only one measure per Record of Votes

The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Economic Development and Taxation**  
**EDT**

Bill / Resolution No.:*	Committee Referral:	Date:
<i>SB 139</i>	<i>HTH/EDT, WAM</i>	<i>1/26/07</i>
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
FUKUNAGA, Carol (C)	✓	
ESPERO, Will (VC)	✓	
ENGLISH, J. Kalani	✓	
IGE, David Y.	✓	
SLOM, Sam	✓	
<b>TOTAL</b>	<i>5</i>	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: <i>Will Espero</i>		
Distribution:	Original File with Committee Report	Yellow Clerk's Office
		Pink Drafting Agency

\*Only one measure per Record of Votes