

**HB 895**



**HAWAII FOOD INDUSTRY ASSOCIATION**

820 Mililani St., Suite 810, Honolulu, Hawaii 96813  
Phone (808) 533-1292 - Fax (808) 599-2606 - Email LISHawaii@aol.com

**LATE**



The right way to trash plastic bags

DATE: Thursday, April 2, 2009  
9:30 AM  
Conference Room 211

TO: COMMITTEE ON WAYS AND MEANS  
Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

BY: Hawaii Food Industry Association  
Richard Botti and Lauren Zirbel

RE: HB 895, HD2, SD1

RELATING TO TAX ON TOBACCO PRODUCTS OTHER THAN CIGARETTES.

Increases the tobacco tax on tobacco products other than cigarettes from 40% to 85% in 2009, 95% in 2010, and 105% in 2011, of the wholesale price and deposits an unspecified percentage of the proceeds collected into the community health centers special fund, the health systems special fund, and the Hawaii tobacco prevention and control trust fund. Effective 7/1/10. (SD1)

HFIA strongly opposes this measure. Many of our local, long time members will be hurt by juristic tax increases on tobacco products.

For example, ABC Stores derives a substantial percentage of their revenue from tourists who enjoy indulging in tobacco products on their vacation. This measure will increase taxes to a point that may raise prices to a level that makes these novelty products uneconomical.

The result of the potential revenue loss which will come about as a result of this measure will further cripple our members that are struggling to make ends meet during these tough economic times. The combination of decreases in tourism related spending and losses of income from some of their most profitable items may be disastrous and result in layoffs or store closures.

After a certain point of taxation consumers will start buying their tobacco products in bulk over the Internet and deprive our local companies of much needed revenues.

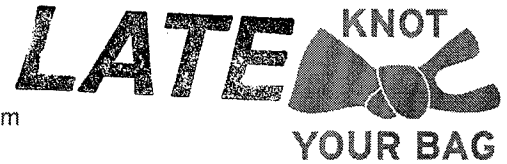
We urge the legislature to take these factors into consideration when looking at ways to fund valuable and necessary social functions.

Thank you for the opportunity to provide this testimony.



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Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

BY: Hawaii Food Industry Association  
Richard Botti and Lauren Zirbel

RE: **HB 1175, HD3, SD1**

RELATING TO TAXATION.

Increases the cigarette tax from 10 cents per cigarette to 20 cents per cigarette beginning July 1, 2009. (SD1)

HFIA strongly opposes this measure. Many of our local, long time members will be hurt by juristic tax increases on tobacco products.

After a certain point of taxation consumers will start buying their cigarettes in bulk over the Internet and deprive our local companies of much needed revenues.

The revenue loss which will come about as a result of this measure will further cripple our members which are struggling to make ends meet during these tough economic times. The combination of decreases in tourism related spending and losses of income from some of their most profitable items may be disastrous and result in layoffs or store closures.

We urge the legislature to take these factors into consideration while evaluating sources of funding.

Thank you for the opportunity to provide this testimony.

**LATE**

**Gina Williams**

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**From:** Angela Goodbody [agoodbody@hawaii.rr.com]  
**Sent:** Wednesday, April 01, 2009 7:13 PM  
**To:** WAM Testimony  
**Subject:** Strong Support--HB 895 HD2 SD1

Senate Sergeant-At-Arms

Dear Chair Kim, Vice Chair Tsutsui, and Ways & Means Committee,

Comments in Support of HB 895 HD 2 SD 1 (Senate WAM Decision Making on April 2, 2009 at 9:30 a.m.)

Thank you for this opportunity to comment in support of HB 895, HD 2, SD 1 which would increase the tax on other tobacco products. Taxing tobacco products other than cigarettes addresses the growing use of smokeless tobacco by our youth. Increasing the cost of smokeless tobacco will deter youth from using smokeless tobacco and ensure their chance at health.

It is important to tax tobacco products other than cigarettes based on wholesale price--not weight. It's also important to tax these products at rates that are comparable to cigarettes so that one product is not favored over the other due to price.

As more people look to decrease or even stop using tobacco, it is important for them to get the help they need to quit. I ask that you dedicate some of the revenue from this tax to tobacco prevention and control programs.

Angela Goodbody  
3124 Numana Road  
Honolulu, HI 96819

Senate Sergeant-At-Arms

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It is important to tax tobacco products other than cigarettes based on wholesale price--not weight. It's also important to tax these products at rates that are comparable to cigarettes so that one product is not favored over the other due to price.

As more people look to decrease or even stop using tobacco, it is important for them to get the help they need to quit. I ask that you dedicate some of the revenue from this tax to tobacco prevention and control programs.

Neighbor Island Coalition Coordinator Tracie Yoshimoto  
Neighbor Island Coalition Coordinator  
1097 Pukana St.  
Hilo, HI 96720

808-896-1670

**kim2 - Arline**

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**From:** Tracie Yoshimoto [livetobaccofree@hawaii.rr.com]  
**Sent:** Wednesday, April 01, 2009 10:33 PM  
**To:** WAM Testimony  
**Subject:** Strong Support--HB 895 HD2 SD1

**LATE**

Senate Sergeant-At-Arms

Dear Chair Kim, Vice Chair Tsutsui, and Ways & Means Committee,

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Neighbor Island Coalition Coordinator Tracie Yoshimoto Neighbor Island Coalition Coordinator  
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