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**HOUSE COMMITTEE ON HEALTH
TESTIMONY REGARDING HB 896
RELATING TO TOBACCO**

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)

DATE: FEBRUARY 13, 2009

TIME: 8:30AM

ROOM: 329

This bill proposes to amend Act 131, Session Laws of Hawaii 2005, by amending section 9 by deleting the repeal date.

The Department of Taxation (Department) **strongly supports** this legislation.

SIGNIFICANT TIME, EFFORT, AND MONEY HAS GONE INTO MAKING SURE THE ENFORCEMENT OF THIS LAW IS A TOP PRIORITY.

The Department strongly supports this legislation. The Department, in connection with the Tobacco Enforcement Unit of the Department of the Attorney General, has expended significant time and effort in what has been a successful effort to enforce the tobacco tax laws of Hawaii.

The Department has promulgated administrative rules related to enforcement. The Department has also coordinated extensively with the Attorney General's Tobacco Enforcement Unit. Enforcement of Act 131 is up and running. Allowing the Act to repeal would be a sever hit to the enforcement efforts and subsequent revenue realized from the permitting of tobacco retailers.


The Department strongly supports making Act 131 permanent and encourages the Committee to pass this measure unamended.

The Department projects that any loss in enforcement efforts in the monitoring of tobacco retailers could result in a revenue loss of approximately \$5.3 million per year.



COALITION FOR A
TOBACCO-FREE HAWAII

LATE

To: Representative Ryan I. Yamane, Chair, Committee on Health
Representative Scott Y. Nishimoto, Vice Chair, Committee on Health
Members, House Committee on Health
From: Trisha Y. Nakamura, Policy and Advocacy Director 
Date: February 12, 2009
Hrg: House Committee on Health; February 13, 2009 at 8:30 a.m.
Re: **Strong Support for HB 896, Relating to Tobacco**

Thank you for the opportunity to testify in strong support of HB896 which would repeal the sunset date of July 1, 2009 of the retail tobacco permit law: Act 131, Session Laws of Hawaii 2005.

The Coalition for a Tobacco Free Hawaii (Coalition) is the only independent organization in Hawaii whose sole mission is to reduce tobacco use through education, policy and advocacy. The Coalition provides leadership for the tobacco control community, develops networks, helps coordinate tobacco control programs, and builds community awareness.

The retail tobacco permit requires tobacco retailers to acquire a permit from the Department of Taxation to sell tobacco. The permit helps our State maintain a complete list of tobacco retailers that is used to help enforce tobacco laws, including verifying that retailers are selling cigarettes that are tax-stamped as well as not selling tobacco to minors.

Comprehensive efforts in tobacco control have led to a significant drop in high school smoking rates which are below 10%. Requiring that tobacco retailers obtain permits is part of this comprehensive approach to reduce youth smoking.

Please ensure the tobacco permit law is not repealed. Please pass HB 896 out of Committee. Thank you for the opportunity to testify on this matter.