

JAN 21 2010

S.B. NO. 2239

A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAXES ON SNACK FOODS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Adult Americans have often struggled with
2 weight gain, unhealthy eating and drinking, and at curbing their
3 desire to consume snack foods for many decades. Consequently,
4 according to an article in Forbes Magazine, that has led to the
5 United States being the ninth most obese country in the world
6 for adults aged fifteen years and older.

7 According to statistics from the sixth annual *F as in Fat:*
8 *How Obesity Policies are Failing in America, 2009 Report*, the
9 rate of adult obesity, which is typically defined as a person
10 having a body mass index score of thirty or more, in the United
11 States has surpassed twenty-five per cent in thirty-one states
12 and exceeded twenty per cent in forty-nine states. This
13 compares to no states having an adult obesity rate above twenty
14 per cent as recently as 1991.

15 In examining the change in eating habits that have occurred
16 in the United States since 1991, there has been an explosion of
17 snack foods onto the market that are available for American
18 consumers. Snack foods include harmful or unhealthy additives,



1 preservatives, or ingredients that are processed or unnatural.
2 Snack foods also contain significant amounts of sweeteners that
3 have little or no nutritional value and are items that are
4 packaged or designed to be portable. Snack foods include, but
5 are not limited to, potato chips, pretzels, chocolate bars,
6 candy bars, candy, ice cream, cookies, doughnuts, jerky,
7 popcorn, and pork rinds, which have become a staple in the diet
8 of American adults and children of very young ages.

9 The purpose of this Act is to attempt to deter the purchase
10 of snack foods through tax reform. Specifically, to adopt tax
11 reform that would require an additional imposition of general
12 excise tax on purchases of snack foods.

13 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
14 amended by adding a new section to be appropriately designated
15 and to read as follows:

16 "§237- Additional imposition of tax. (a) Upon every
17 person engaging or continuing within the State in the business
18 of selling snack foods, there is hereby levied and shall be
19 assessed and collected the following privilege taxes:

20 (1) A rate equal to _____ per cent of the gross proceeds
21 on the sale of snack foods that are less than or equal
22 to _____ ounces; and



1 (2) A rate equal to _____ per cent of the gross proceeds
2 on the sale of snack foods that are more than
3 ounces;
4 provided that the rate of privilege taxes levied, assessed, and
5 collected under this section are in addition to the privilege
6 taxes levied, assessed, and collected under section 237-13 and
7 the county surcharge on state tax that is levied, assessed, and
8 collected under section 237-8.6.

9 (b) For purposes of this section:

10 "Snack foods" includes non-nutritional additives,
11 preservatives, or ingredients that are processed or unnatural.
12 "Snack foods" also contain significant amounts of sweeteners
13 that have little or no nutritional value and are items that are
14 packaged or designed to be portable. "Snack foods" include, but
15 are not limited to, potato chips, pretzels, chocolate bars,
16 candy bars, candy, ice cream, cookies, doughnuts, jerky,
17 popcorn, and pork rinds. "Snack foods" does not include fresh
18 fruits, vegetables, salads, or sweetened beverages.

19 "Sweetened beverages" means any nonalcoholic beverage
20 containing processed sugar, high fructose corn syrup, dextrose,
21 aspartame, sucralose, molasses, or honey that is sold for human
22 consumption. "Sweetened beverages" includes, but is not limited



1 to, soda, juices containing less than one hundred per cent fruit
2 juice, sports drinks, energy drinks, and flavored teas.
3 "Sweetened beverages" does not include water, milk, coffee, and
4 drinks that are labeled as one hundred per cent fruit juice.

5 (c) All revenues collected pursuant to this section shall
6 be remitted to the department of education and deposited to the
7 credit of programs that fund K-12 education."

8 SECTION 3. New statutory material is underscored.

9 SECTION 4. This Act shall take effect on January 1, 2011.

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INTRODUCED BY: *Guy L. Aoun* BR



Report Title:

General Excise Tax; Snack Foods

Description:

Levies, assesses, and collects an additional imposition of general excise tax on snack foods that is in addition to the existing 4% rate and the county surcharge of .5%. Requires the additional revenues to be remitted to the department of education and deposited to the credit of programs that fund K-12 education.

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