

LATE TESTIMONY

February 2, 2010

House Committee on Health

Representative Ryan I. Yamane, Chairman
Representative Scott Y. Nishimoto, Vice Chairman
Member of the Committee

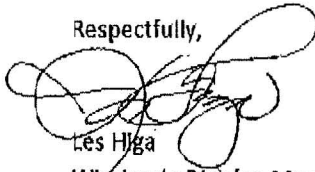
RE: HB 2153 Relating to a tax on all soft drinks sold in Hawaii

ITO EN (USA) has been manufacturing canned drinks in Hawaii for 23 years; products you probably grew up on and others you are familiar with. Aloha Maid Juices, ITO EN canned teas, and Royal Mills Coffees.

I was appalled to hear that there is legislation under consideration in the House Committee on Health to tax soft drinks. This tax disproportionately discriminates against an industry for using sugar? It appears this legislation is a thinly veiled attempt to gain additional revenue, period; unfortunately, it comes at the expense of the soft drink industry.

This legislation will only create a simple economic domino effect; tax the soft drink industry, the cost will be passed on to the retailer, who will pass it to the consumer, who will stop buying soft drinks. But it won't stop there, with smaller sales; there will be less sugar (ITO EN uses locally grown Maui Sugar) to purchase, which will lead to layoffs in the sugar industry and even impacting the manufacturing and retail segments. Layoffs lead to unemployment and no one to pay those creative taxes. Please don't destroy local industry. Thank you.

Respectfully,



Les Higa

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TESTIMONY IN OPPOSITION

**To the Chair and Committee Members
Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair**

**HOUSE COMMITTEE ON FINANCE
HB 2153 Relating to Taxation
(Tax on all soft drinks sold in Hawaii)**

My name is Paul Kosasa, President and CEO of ABC Stores, a local company doing business for over 60 years, employing over 800 Hawaii residents.

We strongly oppose HB 2153, Relating to Taxation (Tax on all soft drinks sold in Hawaii) for the following reasons:

- The introduction of this bill addresses health concerns; however, the rest of the bill speaks of establishment of the bureaucracy, procedures and penalties, filings, and other governmental functions;
- There is no mention on how the tax will be used (unlike the tobacco settlement monies which has a purpose to curb health concerns);
- It does not allow separately stating the tax on the transaction to exempt it from the general excise tax and excluded from gross sales reporting— a multiplier effect (a tax on tax); and
- This is a regressive tax. The price of soda is efficient and a common purchase among EBT/Food stamp users. Thus, this bill takes money out from those that need it most.

Clearly, this is a bill about how to be certain that government is assured payment of the tax.

Thank you for allowing me to submit this testimony.

**PAUL KOSASA
President & CEO**

LATE TESTIMONY

Testimony of Mar Labrador, Vice President, Horizon Lines, LLC

In opposition to HB2153

Committee on Finance

February 18, 2010

5:00 PM, Agenda 5

Conference Room 308

I am Mar Labrador of Horizon Lines testifying in opposition to HB2153.

We have been doing business with soft drink distributors and manufacturers for over fifteen years and have known them to be upstanding business partners, and shining examples of how good corporate citizens should coexist with the community.

We find that this bill, singling out not just a specific industry but indeed a specific product, is wholly unfair and creates an unjust and unneeded tax, at a time when consumers can ill afford increased costs on their grocery bill.

Thank you for taking my testimony

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