

STAND. COM. REP. NO. 668

Honolulu, Hawaii

March 4, 2011

RE: H.B. No. 840
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 840
entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR,"

begs leave to report as follows:

The purpose of this bill as received by your Committee is to
allow the provision of discounts for liquor purchases through
coupons or mail-in rebates when made in combination with other
merchandise.

For the purposes of a public hearing, your Committee
circulated a proposed H.D. 1 that inserts additional provisions
that:

- (1) Increase the various liquor tax rates; and
- (2) Reduce the tax rate on the first 60,000 barrels of beer
brewed or produced by small breweries and brewpubs.

The Department of Taxation supported this bill. Anheuser
Busch Companies; Kona Brewing Co.; Distilled Spirits Council of
the United States; Wine Institute; Anheuser Busch Sales of Hawaii,
Inc.; Southern Wine & Spirits of Hawaii; Hilton Worldwide; Hawaii
Food Industry Association; Hawaii Liquor Wholesalers Association;
and numerous concerned individuals opposed this measure. The Tax
Foundation of Hawaii, MillerCoors, and several concerned
individuals provided comments.

HB840 HD1 HSCR FIN HMS 2011-2840



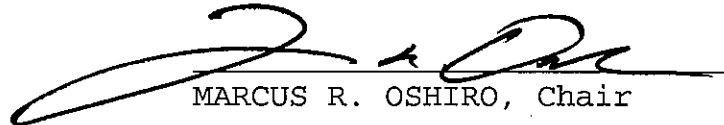
Your Committee has amended this bill by adopting the proposed H.D. 1.

Your Committee has further amended this bill by:

- (1) Changing the proposed increase on the various liquor taxes from a 50 percent increase to a 20 percent increase; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 840, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 840, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



