

STAND. COM. REP. NO. 1445

Honolulu, Hawaii
April 8, 2011

RE: S.B. No. 233
S.D. 2
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 S.B. No. 233, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TOBACCO PRODUCTS,"

begs leave to report as follows:

The purpose of this bill is to deter smoking and provide additional revenue for anti-tobacco programs by:

- (1) Imposing an additional excise tax on tobacco products, other than cigarettes and cigars;
- (2) Imposing specific minimum taxes for specific categories of tobacco products and establishing requirements related to packaging for these products; and
- (3) Allocating an unspecified amount of funds from the existing excise tax on tobacco products, other than large cigars, to be expended by the Department of Health for tobacco prevention programs and treatments services.

Hawaii Primary Care Association, American Lung Association in Hawaii, Coalition for a Tobacco-Free Hawaii, American Cancer Society Hawaii Pacific Inc., Healthy Mothers Healthy Babies, and the National Federation of Filipino American Associations supported this bill. The Department of Taxation, Cigar Association of America, Inc., Hawaii Smokers Alliance, and several

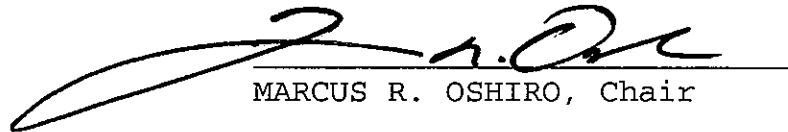


concerned individuals opposed this measure. The American Heart Association, Tax Foundation of Hawaii, and several concerned individuals submitted comments.

Your Committee has amended this measure by deleting its contents and inserting provisions that impose an excise tax amounting to \$1.60 per ounce of moist snuff. As amended, this measure contains an effective date of July 1, 2011.

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 S.B. No. 233, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 233, S.D. 2, 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



