

NEIL ABERCROMBIE
GOVERNOR

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STATE OF HAWAII
DEPARTMENT OF TAXATION

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DEPUTY DIRECTOR

HOUSE COMMITTEE ON FINANCE

TESTIMONY OF THE DEPARTMENT OF TAXATION REGARDING HB 840 PROPOSED HD 1 RELATING TO LIQUOR

TESTIFIER: FREDERICK D. PABLO, DIRECTOR OF TAXATION
(OR DESIGNEE)

COMMITTEE: FIN

DATE: FEBRUARY 25, 2011

TIME: 6:00PM

POSITION: SUPPORT

This measure increases liquor tax rates but also reduces the liquor tax rate for small breweries or brewpubs that brew or produce beer in the State. This measure's liquor tax increase is similar to a provision in the Administration bill, HB 1062.

The Administration supports increasing these types of taxes in these times of financial distress.

The Department defers to DBEDT on the merits of providing a lower tax rate for small breweries and defers to the Attorney General on the constitutionality of providing a different tax rate for in-state breweries.

In its current form, this measure's liquor tax increase is anticipated to increase general fund revenues by \$23.4 million per year beginning FY 2012. However, the lower rate for small breweries is anticipated to result in a revenue loss of \$2.1 million per year. The net revenue gain anticipated from this bill is thus \$21.3 million per year.

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SUBJECT: LIQUOR, Increase tax; tax on small breweries and brewpubs

BILL NUMBER: HB 840, Proposed HD-1

INTRODUCED BY: House Committee on Finance

BRIEF SUMMARY: Amends HRS section 244D-4 to increase the liquor tax rates effective July 1, 2011 to: \$8.97 per wine gallon on distilled spirits; \$3.18 per wine gallon on sparkling wine; \$2.07 per wine gallon on still wine; \$1.28 per wine gallon on cooler beverages; \$1.40 per wine gallon on beer other than draft; and \$0.81 per wine gallon on draft beer.

Adds a new section to HRS chapter 244D to provide that a small brewery or brewpub that produces beer in the state shall be subject to a gallonage tax of \$0.23 per gallon of beer on the first 60,000 barrels of beer brewed or produced during a taxable year; beer produced after the first 60,000 barrels shall be taxed under HRS 244D-4(a). Defines "small brewery or brewpub" as a brewery or brewpub that brews or produces not more than two million barrels of beer per taxable year.

Makes non tax amendment to permit Hawaii consumers to receive discounts, coupons and rebates on the combined purchase of alcoholic beverages and other grocery items.

EFFECTIVE DATE: July 1, 2011

STAFF COMMENTS: The proposed measure increases the liquor tax by 50% to encourage lower demand for the product. It should be noted that the use of the tax system as a social tool in its attempt to deter the sale of alcoholic products is an inefficient use of the tax system. It should be noted that Hawaii's tax rates on alcoholic beverages are among the highest, if not the highest, in the nation. This increase in liquor tax rates would reaffirm the perception that Hawaii is a tax hell.

The fortunes of the tax on alcoholic beverages are directly tied to the fortunes of the visitor industry as evidenced by dividing the resident population into the volume of alcoholic beverages consumed. Thus, any substantial increase in the tax on alcoholic beverages will affect the cost of such beverages to the visitor. A 50% increase in the tax rate on alcoholic beverages will have a trickle down effect in the bars from Waikiki to Ka'anapali. Since most leisure visitors are on a budget, that tax increase will also have an impact on the cost of the mixed drink or glass of wine to the point that it will, no doubt, reduce consumption and, therefore, the amount spent by the visitor for alcoholic beverages. Should that be the case and the volume is reduced, so will the amount of taxes collected. Given that Hawaii's tax rates on these beverages are amongst the highest in the nation, there is probably little tolerance for yet another increases in price of these beverages. Should consumption fall, not only will tax revenues decrease, but jobs and payroll will be affected in those establishments serving primarily tourists.

As lawmakers scratch their heads on how to deal with the unemployment problem and the lack of activity in the economy, they have only to look at the uncertainty a measure like this creates. With the

uncertainty of tax increases and the relative impact they will have on business activity, business owners and investors will be reluctant to go out on a limb and invest, not knowing if they are going to get hit up again.

This proposal to jack up the liquor tax rates by 50% will really hurt the folks who are the on-premise consumption business that must build the tax increase into the cost of their served drinks and then mark it up because of the heavy liability insurance they must carry should one of their patrons drive drunk and the establishment is sued. So what is now a \$7 martini in Waikiki will go to \$10 and the \$10 glass of wine may have to go to \$14. What an "ouch" that will be for the patron who will retaliate by buying one or two less drinks. Multiply that by 100 patrons a night and you are talking a business owner who is going to reduce his workforce because he cannot turn enough of a margin to cover the cost of one extra waitress or bartender.

If the bar owner cannot get the volume up enough with what slim profit margin he can charge, then he will not hire another person. Indeed it is the uncertainty of what the legislature is doing right now that will affect whether or not the unemployment rate can be addressed, let alone the revenue picture, to pull us out of this deficit.

This measure also proposes to impose a tax on small breweries and brewpubs. Currently, beer is subject to a state tax of \$0.93 cents per wine gallon while draft beer is subject to a tax of \$0.54. At the federal level, beer is subject to a tax of \$18 per barrel. Brewers who produce less than two million barrels are subject to a tax of \$7 on the first 60,000 barrels and \$18 after the first 60,000 barrels.

While the proposed measure would establish a reduced rate of \$0.23 per gallon for the first 60,000 barrels of beer brewed or produced in the state by a small brewery or brewpub annually, it would grant a preferential reduced rate for beer produced locally as compared to beer that is imported. If nothing else, lawmakers should secure a legal opinion as to the constitutionality of conferring a preferential rate for brewers located "in the state."

Digested 2/24/11



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February 25, 2011

Testimony To: House Committee on Finance
Representative Marcus R. Oshiro, Chair

Presented By: Tim Lyons, Legislative Liaison
Anheuser Busch Companies

Subject: H.B. 840, Proposed HD 1 – RELATING TO LIQUOR

Chair Oshiro and Members of the Committee:

I am Tim Lyons, Legislative Liaison for Anheuser Busch Companies and we oppose this bill.

We understand that the state is in severe financial problems. We also understand that as legislators, you need to look for revenue sources wherever you can possibly find them. We also think however, that it is totally within your purview to take a look at the consequences of those tax increases.

In the case of liquor products, you are talking about products that are extremely price sensitive and have great elasticity. That is to say, the majority of people who consume our products are not alcoholics, but rather are casual drinkers. This means that they can do with or they can do without and as history has shown throughout the nation, as the price goes up, sales go down. As sales go down, unemployment goes up.

We do not believe that in this economy, although it seems a perfectly natural reaction to increase taxes, that you also do not want to do anything that will promote more people losing their jobs or having their hours cut back based on reduced sales. A liquor tax increase of almost any nature will do that.

The Committee also needs to be reminded that what was originally proposed in this bill was a fifty (50) percent increase on liquor products and that would place us nationally at least thirty-three (33) percent higher than any other state based on the liquor excise tax alone. By our calculations the increases on beer proposed in this bill will result in \$17 million less in retail sales, 144 direct employment jobs lost and 169 beer industry jobs, all for a gain of \$13 million more in the excise tax. In short, the liquor industry is not the "cash cow" it once was. Sales were down before this recession even started and they have only plummeted further. Although we are sometimes grouped under the heading of a "sin tax", we would like to remind this Committee that what we manufacture and sell is a legal product and it is not a sin to sit in your living room, watch the football game and , consume a beer.

While we know that everyone has to do their part in this kind of an economy, we are also of the belief that if you ask an industry to do too much from their part, that jobs will suffer and all we will achieve is more unemployment and less personal income.

As it relates to Section 9 which provides coupons and discounts we are also opposed. Since discounts are typically used in order to encourage sales, it might seem odd that a manufacturer would oppose them however, we find that they may not be a proper fit for Hawaii.

Manufacturers are already allowed to offer instant redeemable coupons which allow a discount off the price purchased and the price paid by the consumer. These are non-discriminatory price promotions or price discounts and are generally offered to all and any retailer who offers the product for sale.

A majority of the states however prohibit some sort of form of manufacture coupons or rebate. This is because they can be discriminatory, you can give them to some retailers and not others, and they are often prone to fraud and abuse. We have received several anecdotal stories of instances on the mainland where manufacturers provide a handful of these discounts to a retailer, the retailer waits for a certain amount of time and then turns them into the manufacturer. In other words, the coupons were redeemable for cash without any actual savings ever being passed on to the consumer. These in effect, are inappropriate cash payments or inducements by manufacturers to retailers.

We would remind this Committee that the liquor industry is highly regulated because of problems that occurred many years ago. Since the time of establishing a proper three tiered distribution system, we believe that the greed, the graft and the crime that accompanied these products have largely gone out of the marketplace; at least if they exist they do so at no greater degree than other industry. We are concerned however that this bill would jeopardize that situation and for these reasons, we think that expanding alcohol beverage coupons should be prohibited and, therefore, we would urge you to reject this section.

Part II of this bill provides a discriminatory rate for in state producers. What is a in state producer?

Since the liquor taxes are already based on a per barrel produced as an excise tax, the more barrels one produces, the heavier the tax load and while we would agree that the tax load is substantial it nevertheless is proportioned to the amount that you produce. We find that a lowering of the tax rate based on a lower total overall production is highly discriminatory. We would also refer to the Committee to the "Bacchus Imports" case which ruled that even though Hawaii was trying to encourage the production of locally produced products, the court found that its purpose was improper.

Based on that we cannot recommend passage of this bill.

Thank you.

GOODSILL ANDERSON QUINN & STIFEL

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TO: Representative Marcus Oshiro
Chair, Committee on Finance
Hawaii State Capitol, Room 306
VIA FACSIMILE: 586-6001

FROM: Mihoko E. Ito

DATE: February 24, 2011

RE: **H.B. 840, Proposed H.D. 1 – Relating to Liquor
Hearing: Friday, February 25, 2011 at 6:00 p.m., Room 308**

Dear Representative Oshiro and Members of the Committee on Finance:

I am Mihoko Ito, submitting comments on behalf of the Distilled Spirits Council of the United States (“DISCUS”). DISCUS is a national trade association representing producers and marketers of distilled spirits sold in the United States.

DISCUS opposes H.B. 840, Proposed H.D. 1, which increases liquor tax rates. This bill also reduces the liquor tax rate on beer for small breweries or brewpubs and makes it lawful to provide a discount for liquor purchases through coupons or mail-in rebates when made in combination with other merchandise.

We strongly oppose Part I of the bill, which proposes a 50% increase to the liquor gallonage tax assessed on liquor including distilled spirits. Distilled spirits are among the most heavily taxed consumer products in the United States. In Hawai‘i, they are already assessed substantial taxes and fees which are significant compared to other states. For a typical bottle of distilled spirits sold in Hawai‘i, 25% of the retail price goes to pay State and local taxes and fees. When factoring in federal taxes and other fees, 51% of the purchase price of each bottle of distilled spirits goes toward such taxes and fees.

Liquor tax increases drive down retail sales as consumers react to higher prices. This, in turn, negatively impacts many other industries critical to our economy, such as hospitality, tourism, and dining. At a time when Hawaii’s economy, including local businesses and consumers, is still recovering from the recession, increasing liquor taxes will impact consumer spending.

February 24, 2011

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Higher tax rates are estimated to decrease retail spirits sales by \$13.6 million. Including beer and wine in that estimate would increase the total to over \$30 million.

Increasing the liquor gallonage tax rates would significantly increase costs for anyone that enjoys a cocktail, beer or glass of wine. Whether in the form of higher prices or job losses, an excessive liquor tax is counterproductive and will impact low to middle income taxpayers most. The tax increases proposed in this bill would hurt, not help, Hawai'i's economy.

While we support the intent of Part III of the bill as a creative marketing tool, it does nothing to soften the foregoing negative impacts of Part I, especially concerning reduction in tax revenue to the state and loss of retail sales. We take no position on Part II of the bill at this time.

For the reasons stated above, we respectfully ask that you hold H.B. 1187. Thank you for the opportunity to testify.



WINE INSTITUTE

KATIE JACOY
WESTERN COUNSEL

TO: House Committee on Finance
Representative Marcus Oshiro, Chair
Representative Marilyn Lee, Vice- Chair

DATE: February 25, 2011, 6:00pm
Conference Room 308

RE: Opposition to HB840
RELATING TO LIQUOR

Wine Institute ("WI") is a public policy association representing 923 California wineries. WI opposes HB840 because it proposes to increase the liquor tax on all categories of alcoholic beverages, including wine, by 50%. This proposed 50% tax increase to \$2.07 per wine gallon will ultimately harm the responsible wine consumers in Hawaii by increasing the price of wine, which is difficult to bear in tough economic times. In this economy, none of the tiers - winery, distributor, or retailer/restaurant - are in the position to absorb any additional costs, so any increased tax will be passed onto the consumer. Since liquor taxes are marked up by the distributors and retailers as the wines move through the three-tier system, they usually double by the time they reach the consumer.

The justification for this excessive tax burden is the *possibility* that the higher tax passed onto consumers in higher alcohol prices will lower consumption by those abusing alcohol. It doesn't make sense to punish the vast majority of wine consumers on a chance that it will help abusers.

With this increase, Hawaii's liquor tax on wine will be the third highest in the nation, surpassed only by Alaska at \$2.50 with no additional sales tax and Florida at \$2.25 with an additional sales tax. Hawaii wine consumers already pay one of the highest prices in the United States for their wine, given Hawaii's general excise tax of 4.17% or 4.712% for Honolulu County and the higher transportation costs to ship wine to Hawaii.

After years of double-digit declines, Hawaii's tourism industry is finally recovering. After similar declines, on-premise sales of wine are beginning to increase as well. Tourism accounts for one-quarter of Hawaii's GDP and one-third of its jobs. Restaurants, hotels, and wine retailers can't afford a tax increase that will hamper this much needed recovery.

Page 1 of 2

A 50% increase in the liquor tax on wine unfairly harms the wine consumer in Hawaii:

- Hawaii wine consumers already pay a disproportionate share of taxes through the existing liquor tax imposed on wine. Most other products they buy do not carry such an additional tax burden.
- Alcohol beverage taxes are regressive, disproportionately hitting those with lower incomes. Hawaii residents already struggle with high housing, food, and fuel costs. Under this bill, they could be forced to pay even more for the simple pleasure of responsibly consuming wine.
- Excise taxes are inefficient and wasteful because they are levied at the producer level. Since the taxes are marked up by the distributors and retailers as the wines move through the three-tier system, they usually double by the time they reach the consumer.
- Data indicates that when taxes are imposed on specific products, overall sales decrease. If overall sales decrease, local restaurants and wine retailers are also negatively impacted.
- Scores of medical research reports show that moderate wine consumption reduces the risk of coronary heart disease and is healthful. Wine consumption in moderation saves on health care costs: the U.S. Department of Health & Human Services found that 6 to 13 glasses of wine per week saves on average of \$400 per year per wine drinker in Medicare expenses. Wine is a beverage of moderation. Its use should not be discouraged by excise tax increases resulting in higher wine prices to the consumer.



MAUI BREWING CO.

24 February 2011

COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS

Rep. Angus L.K. McKelvey, Chair

Rep. Isaac W. Choy, Vice Chair

Re: HB 840, Strong OPPOSITION, Bad for local business

Aloha Ladies and Gentlemen of the Committee:

I apologize for not being present personally at the hearing. My growing small business requires my presence. As a strong supporter of this and similar measures, I will be present in as many hearings as I can.

I am writing you in strong opposition of HB 840. In short, this bill gives unfair competitive advantage to large out-of-state businesses, in this case large breweries (Bud Miller Coors etc.), the capability to discount alcohol and encourage consumption of cheap, low quality alcohol and further price true hawaiian products out of the market. The passage of this bill puts the jobs of at least 200 constituents at risk. If we cannot compete, we cannot sustain business in Hawaii.

The large breweries seeking the coupon allowance operate on costs of production that are less than half of the costs of local brewers. By discounting and thereby incentivizing consumers to drink more of lower quality products (most likely with discounts on junk food) we further put the health of both our people AND our economy at risk.

Here are a few other things to consider regarding Couponing:

- A majority of states already prohibit some form of manufacturer coupons or rebates for alcohol beverages, especially instant redeemable coupons (IRC) and scanbacks (which are discount payments to retailers based on the sales data from their scanners). That's because the cost of coupons is paid by suppliers and, thus, effectively becomes a direct payment to retailers that bypasses the middle tier. As such, coupons circumvent the intent and spirit of the regulatory framework and rationale underlying the three-tier system just as slotting fees do.
- IRC's are prone to fraud and abuse. Even though the vast majority of industry members operate in completely lawful ways, it is difficult to account for coupon transactions in such a way as to guarantee that every coupon is redeemed by a consumer for the purchase of the brand/product being discounted. Too often, substantial numbers of coupons are redeemed for cash without any actual savings being passed on to consumers. In those instances, the effective result is an inappropriate cash payment by manufacturers to retailers.
- Coupons can be discriminatory, favoring some retailers over others unless great care is taken to ensure that all retailers have access to them. Scanbacks, which are less prone to fraud, also violate the principle of retailers being treated without advantage. Many smaller retailers don't have scanning equipment, so scanbacks often work to the advantages of larger or more sophisticated retailers.
- Coupons and scanbacks are not needed to ensure that consumers receive the advantages of price competition. The alcohol industry is legally permitted to discount its products via non-discriminatory price promotions or price discounts to all retailers. This is the proper way that

HANDCRAFTED ALES & LAGERS BREWED WITH ALOHA

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alcohol manufacturers and wholesalers can and do comply with the legal intent of trade practice regulations, while at the same time competing with one another to give consumers the best possible price/value combination.

We truly "Local" brewers, brewers that brew 100% of our product in Hawaii with local labor, myself at Maui Brewing Co. and our bretheren at Hawaii Nui Brewing Co. in Hilo, Waimea Brewing on Kauai, and Big Island Brewhaus on Hawaii stand united on this cause. The passage of this provision will create unfair competitive advantage and encourage consumption of cheap, low quality alcohol and food. Does Hawaii really want to become a State that encourages low quality and puts down high quality products made with local labor? Why put our kama'aina out of work and on unemployment? That's what couponing will do! If the big breweries can discount with coupons, we feel they can pay a higher tax. That's why we support the passage of the intent of HB 365 and the creation of a small brewers tax provision. It's good for local business, its good for local labor, and it makes for a strong Hawaii.

In 2005 when I started Maui Brewing Co. I did so with the vision of producing the highest quality ales and lagers available in the State, and doing so with a strong commitment to always brewing in Hawaii. At that time most so-called "Hawaiian" beers were being brewed in the mainland and shipped to Hawaii; it was my goal to bring truth and authenticity to Hawaiian Beer. We have stayed true to our vision and have brought attention to craft beer in Hawaii for the first time in history. We have won more awards at all levels of competiton for our beers than any other brewery in the State. We are proud that in the craft brewing community around the world the name "Maui Brewing Co." is synonomous with world-class beer of a truly local Hawaiian origin. It has become increasingly difficult to grow and remain competitive with the extremely high cost of production in Hawaii relative to our mainland counterparts, this compiled with the highest taxes in the Nation results in a disincentive to manufacturing in the State and a complete lack of competitive capability. One look at the store shelves will show you that our true Hawaiian beers are the most expensive beers on the shelf. Unfortunately this keeps them out of the reach of the average Hawaiian family. This is a sad state of affairs. We operate on margins that are less than half of those by the large MNCs seeking the coupon bill passage. They can absorb these discounts, in my opinion they can absorb a tax increase if they can afford to discount. Lets create jobs and a strong Hawaii by supporting bills that create a small brewers tax provision (HB365) as opposed to allowing couponing and hurting local manufacturing.

Maui Brewing Co. has become Hawaii's largest brewery in the past year, we are also the only brewery canning our beer in the State. We purchase our cans from a local Ball Corporation plant in Kapolei further supporting local labor. Bottles are not made in Hawaii and we, as do many others, believe the can is better for beer. One reason for our growth is we have begun to sell our beer in the mainland and in international markets. I am often asked why my beers sell for the same price, and in some instances cheaper, on the west coast than in Hawaii, as exported beer should be more expensive. Sadly, the state taxation in Hawaii is so high that i can ship my beer AND pay taxes to the Western States for less than just the tax in Hawaii. For example, CA is approx \$.45 per case versus Hawaii at \$2.09 per case. This disincentive to local sales has encouraged an outward migration of jobs, taxes, and manufacturing. We want to be encouraged to sell our products in Hawaii, and the support of our government officials with a decrease in tax for in-state produced product is the only way. We are not asking to pay the lowest tax, but a tax rate competitive to other States. It is time to create a small brewers tax provision that will allow us to bring back and create more jobs through growth. We believe in a strong Hawaii, this starts with small businesses which are the backbone of any strong community.

Maui Brewing Co. currently employs 45 employees in the State. These employees live in Hawaii, raise their children here, pay taxes, and contribute to the community. Forty-one employees are full-time employees with family-level wages, insurance benefits including health (medical, drug, dental, vision and preventative care), life insurance, and 401(k). We do not currently match contributions to 401(k), our goal was to implement profit sharing and matching this year as we believe in employee appreciation; we simply would not be where we are without our staff. I say this "was" our plan, because with the enormous tax increase being sought (under other measures) it would be very detrimental to the possibility of implementing these plans. This is why we need to create a Small Brewers classification. In speaking

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with others in our local industry, we collectively agree that the small brewers tax provision we are seeking would be utilized by us all to invest in new equipment and people in order to continue growing our companies locally. This would serve to bring local jobs to market and help get workers looking for jobs off unemployment and government assistance. Our growth would allow us to actually pay more in taxes as a result of increasing sales.

For our fiercely local company we believe in the true origins of Hawaiian products and are vehemently against those masquerading as Hawaiian without being made locally. Our beer will always be authentic and truly brewed in Hawaii. This is the foundation for getting Hawaii back on track; build a strong foundation of local businesses providing jobs to the community and tax revenues to the State. Do NOT give unfair advantage to the peddlers of commodity beer that serve to only contribute to the consumption of low quality alcohol and food.

The small brewers tax provision proposed under HB365 helps put Hawaii on a solid foundation and on track to a healthy and prosperous future. HB 840 allows for unfair competitive advantage by mainland breweries and presents a negative environment for local manufacturing. Simply put, voting AGAINST HB840, means voting FOR a STRONG HAWAII.

Thank your for your time, please feel free to call me with any questions.

Mahalo,



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Anheuser-Busch Sales of Hawaii

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Telephone: 808-484-4335

DATE: Friday, February 25, 2011- TIME: 6:00pm

PLACE: Conference Room 308

FROM: Bonny Armemiya

TO: COMMITTEE ON FINANCE

Rep. Marcus R. Oshiro, Chair

Rep. Marilyn B. Lee, Vice Chair

RE: HB 840, PROPOSED HD 1 RELATING TO LIQUOR

I am an employee of Anheuser-Busch and we strongly oppose the 50% increase in the liquor tax, the tax reduction for small brewers and brewpubs, and allowing coupons on liquor.

The reasons why we oppose this bill are these:

1. 50% Increase in liquor tax rates –

- **Excise tax increases are inefficient** – history shows that for every dollar increase in the excise tax, only 50% flows back to the State in tax revenue. Excise taxes are hidden taxes that get marked up several times causing the increase to the consumer to be much higher.
- **Beer excise taxes in Hawaii are already among the highest in the nation** – Hawaii's beer tax rate is at 93 cents per gallon while the national average is 27 cents. A 50% tax increase would secure Hawaii's position as the highest in the nation raising Hawaii's beer tax to over 5 times the national average.

ANHEUSER-BUSCH SALES OF HAWAII, INC.

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- **Beer and alcohol taxes are regressive** – the burden of paying these increased taxes will fall most heavily on the working men and women in this State. It's unfair to single out this class of taxpayers when many families here in Hawaii are living paycheck to paycheck, struggling to make ends meet.
 - **Beer and alcohol taxes cost jobs** – our projections show that as prices rise and sales fall, thousands of local jobs will be lost directly or indirectly as a result of a 50% increase in alcohol taxes. The direct impact will be felt immediately by people who work in brewing, wholesaling, grocery, mom & pop stores, restaurants, and hospitality industries. The impact will be felt indirectly by those who support the liquor industry -- those in shipping, trucking, suppliers, advertising, marketing, and other professional and non-professional service providers. We feel the community is best served by finding ways to increase jobs at this time, not put more people out of work.
2. Reduction in the liquor tax rates on beer for small breweries and brewpubs -
- **Providing a tax reduction** to a small segment of the industry at a time when the State is looking to cover a mounting budget deficit is inconsistent with the State's goal of raising additional revenues. A tax reduction to some just shifts the burden of paying to other taxpayers. The fairest tax is the one with the broadest base, not taxes that are levied on some but not others.
3. Coupons on liquor should be prohibited. Here are the reasons:
- **A majority of states prohibit some form of manufacturer coupons or rebates for alcohol beverages, especially instant redeemable coupons (IRC) and scanbacks** (which are discount payments to retailers based on the sales data from their scanners). That's because the cost of coupons is paid by suppliers and, thus, effectively becomes a direct payment to retailers that bypasses the middle tier. As such, coupons circumvent the intent and spirit of the regulatory framework and rationale underlying the three-tier system just as slotting fees do.
 - **Coupons on liquor are prone to fraud and abuse.** Even though the vast majority of industry members operate in completely lawful ways, it is difficult to account for coupon transactions in such a way as to guarantee that every coupon is redeemed by a

consumer for the purchase of the brand/product being discounted. Too often, substantial numbers of coupons are redeemed for cash without any actual savings being passed on to consumers. In those instances, the effective result is an inappropriate cash payment by manufacturers to retailers.

- **Coupons can be discriminatory favoring large retailers over small** – this can easily happen unless great care is taken to ensure that all retailers have access to them. Scanbacks, which are less prone to fraud, also violate the principle of retailers being treated without advantage. Many smaller retailers don't have scanning equipment, so scanbacks often work to the advantages of larger or more sophisticated retailers.
- **The State does not have the resources for proper oversight.**
- **There is no reason to implement this...coupons and scanbacks are not needed to ensure that consumers receive the advantages of price competition.** The alcohol industry is legally permitted to discount its products via non-discriminatory price promotions or price discounts to all retailers. This is the proper way that alcohol manufacturers and wholesalers can and do comply with the legal intent of trade practice regulations, while at the same time competing with one another to give consumers the best possible price/value combination.

Our employees have collectively written over 200 personal letters to Senators and Representatives expressing their views on the liquor tax increase. Each did so voluntarily and told their own story in their own words. We ask that you take the time to read them and consider their opinions before making a decision on HB 840 HD1.

Thank you for the opportunity to provide this testimony.

Respectfully submitted,

Bonny Amemiya



February 24, 2011

To whom it may concern:

Thank you for hearing my testimony on H.B. NO. 840 H.D. 1 which proposes to increase the various liquor tax rates. In my opinion, H.B. NO. 840 H.D. 1 should not be passed.

We are living in a time when we are seeing a lot of independent small businesses disappearing. It has been very difficult for many to continue running their businesses since the stock market crash of a few years ago, and some are just starting to make the climb back to normalcy. This bill which proposes to raise taxes on alcohol will make it even harder for Hawaii's small businesses to survive.

No matter which angle you take, increasing taxes on goods results in higher costs to the consumers and lower profit margins to the businesses. Both of these take money out of the pockets of the people and reduce their spending power. They destabilize our local economy and lead to unemployment, homelessness, and increased social problems in our state.

If restaurant businesses slow to the point of closing, we lose not only the means of financial support for our employees, but also the very colorful part of Hawaii -- the neighborhoods. I am speaking not only for myself as a local independent restaurateur but for all the small local restaurants in our communities that really provide for our locals and attract visitors to our state to "Taste Hawaii".

Raising prices, cutting back on service, closing restaurants, and losing jobs -- I don't believe this is the way to go. I believe we need to work together, and I believe we need to fix a lot of problems. Tourism and the hospitality/restaurant industry supports Hawaii so much in so many different ways that I think it is dangerous to enforce this tax increase at this time.

Raising the alcohol tax will affect the bottom line for businesses in the food industry and all of the people of Hawaii employed by those businesses, and it will adversely impact the hospitality industry that attracts the visitors to our state and generates the greatest support for our local economy.

Thank you for hearing my testimony on this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Wong", written over a white background.

Alan Wong
Chef/Owner

1857 S. King Street
Honolulu, HI 96826
P: 808.949.1939
F: 808.951.9520
www.alanwongs.com



February 24, 2011

Via <http://www.capitol.hawaii.gov/email/testimony>.

Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair
COMMITTEE ON FINANCE
House of Representatives
State Capitol
415 South King Street
Honolulu, HI 96813

RE: H.B. No. 840 Relating to Liquor

Dear Chair Oshiro, Vice Chair Lee, and Committee Members:

On behalf of Southern Wine & Spirits of Hawaii ("Southern"), we respectfully submit the following written testimony in opposition to H.B. No. 840, relating to liquor, which is to be heard by your Committee on Finance on February 25, 2011. H.B. No. 840 would increase the taxes payable on distilled spirits, sparkling wine, still wine, cooler beverages and beer by 50%. While we understand that the State government faces substantial fiscal issues, Southern believes that H.B. No. 840 is inappropriate and unworkable.

The tourist industry is a very large part of Hawaii's total economy. Many tourists while visiting will consume alcoholic beverages. Raising the liquor tax by 50% would only make the cost of a vacation even more expensive, and would be counter-productive to stimulate the State's number one economic driver. Hawaii's tax rate on liquor is already one of the highest in the country. Hawaii's residents and visitors already are burdened by high taxes on liquor.

Consumption of alcoholic beverages are very elastic and price sensitive, especially in a recessionary economy. Raising the taxes on liquor may result in lower consumption which will lower the amount of taxes paid. Also, consumers may trade down to a lower quality, more affordable product which will generate less dollar volume for wholesalers, retailers, restaurants, hotels and bars which will have an impact on the bottom line and will put jobs at risk. We have 205 employees throughout the State of Hawaii that cannot afford to lose their jobs due to high tax increases.

The State's fiscal issues are shared by all. This bill is targeting a single industry to try to solve the problems by raising taxes that will not do much ultimately to stimulate the economy. It could only hurt the recovery process by putting more strain on business that are already paying a high cost to do business in Hawaii. We respectfully oppose H.B. No. 840. Thank you for your time.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Perry".

Steve Perry
Vice President Operations



Waimea Brewing Company, Inc.

February 24, 2011

Premium
Handcrafted
Beer
•
Fine
Local
Food
•
Historic
Waimea
•
Beautiful
Kauai
Hawaii

COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS Rep. Angus L.K. McKelvey,
Chair Rep. Isaac W. Choy, Vice Chair

Re: HB 840, Strong OPPOSITION, Bad for local business

Aloha Ladies and Gentlemen of the Committee:

I am writing you in strong opposition of HB 840. In short, this bill gives unfair competitive advantage to large out-of-state businesses, in this case large breweries (Bud Miller Coors etc.), the capability to discount alcohol and encourage consumption of cheap, low quality alcohol and further price true Hawaiian products out of the market. The passage of this bill puts the jobs of at least 200 constituents at risk. If we cannot compete, we cannot sustain business in Hawaii.

Here are a few other things to consider regarding Couponing:

A majority of states already prohibit some form of manufacturer coupons or rebates for alcohol beverages, especially instant redeemable coupons (IRC) and scanbacks (which are discount payments to retailers based on the sales data from their scanners). That's because the cost of coupons is paid by suppliers and, thus, effectively becomes a direct payment to retailers that bypasses the middle tier. As such, coupons circumvent the intent and spirit of the regulatory framework and rationale underlying the three-tier system just as slotting fees do.

IRC's are prone to fraud and abuse. Even though the vast majority of industry members operate in completely lawful ways, it is difficult to account for coupon transactions in such a way as to guarantee that every coupon is redeemed by a consumer for the purchase of the brand/product being discounted. Too often, substantial numbers of coupons are redeemed for cash without any actual savings being passed on to consumers. In those instances, the effective result is an inappropriate cash payment by manufacturers to retailers.

Coupons can be discriminatory, favoring some retailers over others unless great care is taken to ensure that all retailers have access to them. Scanbacks, which are less prone to fraud, also violate the principle of retailers being treated without advantage. Many smaller retailers don't have scanning equipment, so scanbacks often work to the advantages of larger or more sophisticated retailers.

Coupons and scanbacks are not needed to ensure that consumers receive the advantages of price competition. The alcohol industry is legally permitted to discount its products via non-discriminatory price promotions or price discounts to all retailers. This is the proper way that alcohol manufacturers and wholesalers can and do comply with the legal intent of trade practice regulations, while at the same time competing with one another to give consumers the best possible price/value combination.

All of us truly "Local" brewers, brewers that brew 100% of our product in Hawaii believe the passage of this provision will create unfair competitive advantage and encourage consumption of cheap, low quality alcohol and food. If the big breweries can discount with coupons, we feel they can pay a higher tax. That's why we support the passage of the intent of HB 365 and the creation of a small brewers tax provision. It's good for local business, it's good for local labor, and it makes for a stronger Hawaii.

The small brewers tax provision proposed under HB365 helps put Hawaii on a solid foundation and on track to a healthy and prosperous future. HB 840 allows for unfair competitive advantage by mainland breweries and presents a negative environment for local manufacturing. Simply put, voting AGAINST HB840, means voting FOR a STRONG HAWAII.

Sincerely,

Bret Larson, President/CEO
Waimea Brewing Company

PO Box 667, Waimea, Kauai, HI
(808) 338-9733



Waimea Brewing Company, Inc.

February 14, 2011

Premium
Handcrafted
Beer
•
Fine
Local
Food
•
Historic
Waimea
•
Beautiful
Kauai
Hawaii

COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS Rep. Angus L.K. McKelvey,
Chair Rep. Isaac W. Choy, Vice Chair

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Sincerely,

Dave Curry, Brewmaster/ Vice President
Waimea Brewing Company

PO Box 667, Waimea, Kauai, HI
(808) 338-9733



February 24, 2011

OPPOSE HB840

Dear Members of the Finance Committee-

The Kona Brewing Company strongly opposes HB840 and believes it would cause an unfair trade advantage.

- A majority of states already prohibit some form of manufacturer coupons or rebates for alcohol beverages, especially instant redeemable coupons (IRC) and scanbacks (which are discount payments to retailers based on the sales data from their scanners). That's because the cost of coupons is paid by suppliers and, thus, effectively becomes a direct payment to retailers that bypasses the middle tier. As such, coupons circumvent the intent and spirit of the regulatory framework and rationale underlying the three-tier system just as slotting fees do.
- IRC's are prone to fraud and abuse. Even though the vast majority of industry members operate in completely lawful ways, it is difficult to account for coupon transactions in such a way as to guarantee that every coupon is redeemed by a consumer for the purchase of the brand/product being discounted. Too often, substantial numbers of coupons are redeemed for cash without any actual savings being passed on to consumers. In those instances, the effective result is an inappropriate cash payment by manufacturers to retailers.
- Coupons can be discriminatory, favoring some retailers over others unless great care is taken to ensure that all retailers have access to them. Scanbacks, which are less prone to fraud, also violate the principle of retailers being treated without advantage. Many smaller retailers don't have scanning equipment, so scanbacks often work to the advantages of larger or more sophisticated retailers.
- Coupons and scanbacks are not needed to ensure that consumers receive the advantages of price competition. The alcohol industry is legally permitted to discount its products via non-discriminatory price promotions or price discounts to all retailers. This is the proper way that alcohol manufacturers and wholesalers can and do comply with the legal intent of trade practice regulations, while at the same time competing with one another to give consumers the best possible price/value combination.

Sincerely,

Mattson C. Davis

President



250 S. Wacker, Suite 800
Chicago, IL 60606

311 10th St.
Golden, CO 80401

3939 W. Highland Blvd
Milwaukee, WI 53208

February 24, 2011

Representative Marcus Oshiro, Chair
Representative Marilyn Lee, Vice Chair

House Committee on Finance
Hawaii State Capitol, Room 308
Honolulu, HI 96813

RE: HB 840 - Relating to Coupons, and Taxation (Hearing Date February 25, 2011)

Dear Chair Oshiro, Vice Chair Lee and Members of the Committee:

MillerCoors supports the language contained in HB 840, as originally introduced, to allow beer manufacturers to provide discounts to Hawaii consumers. We support these provisions because of the value the proposed legislation will bring to consumers, retailers and government in Hawaii.

Current law does not allow a beer purchase on coupon and rebate programs, and as our data demonstrates, value is being lost when compared to other states that allow such programs. There are 38 states that allow couponing on beer products, and 14 of those states allow Mail-in Rebates, Instant Redeemable Coupons and scan programs.

If the law is changed via HB 840, we anticipate an increase in retailer sales, as well as redemption by consumers. These additional sales would benefit revenue collections in the state via increased sales and excise taxes, as the attached information demonstrates. In addition, by involving suppliers, retailers and customers in the program, we believe the integrity of the system will be preserved and additional value will be enjoyed by consumers in Hawaii.

However, MillerCoors is OPPOSED to the provisions of HB 840 that increase the excise tax rates on large brewers and at the same time reduce excise taxes for smaller brewers. Those provisions are inherently unfair and treat the same members of an industry in an unequal manner.

Please accept this testimony for the committee hearing tomorrow.

Please contact me if you have any additional questions at (916)771-6447.

Lance Hastings
Director – State Government Affairs

Coupons for Beer Products

Permitted - All

Alaska	Delaware	Mississippi	South Carolina
Arizona	Florida	Nevada	Wisconsin
California	Illinois	New Mexico	Wyoming
DC	Iowa		

Permitted – Mail-In Rebates

Connecticut	Massachusetts	New York	South Dakota
Georgia	Michigan	North Dakota	Tennessee
Idaho	Minnesota	Ohio	Virginia
Louisiana	Nebraska	Oregon	Washington
Maryland	New Jersey	Pennsylvania	

Permitted-IRC/MIR; Prohibited-Scan

Colorado	New Hampshire	Oklahoma	Rhode Island
Kansas			

Prohibited-IRC/Scan; BAR-MIR

Vermont

Board Approval Required

Montana

Coupons for Other Products

Permitted

Alabama	<u>Hawaii</u>	Mississippi	Pennsylvania
Alaska	Idaho	Missouri	Rhode Island
Arizona	Illinois	Nebraska	South Carolina
Arkansas	Indiana	Nevada	South Dakota
California	Iowa	New Hampshire	Tennessee
Colorado	Kansas	New Mexico	Texas
DC	Kentucky	New York	Virginia
Delaware	Maryland	North Carolina	Wisconsin
Florida	Massachusetts	Ohio	Wyoming
Georgia	Michigan	Oklahoma	

Board Approval Required

Maine	Montana	West Virginia
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Prohibited-IRC; Permitted-MIR

Connecticut	Minnesota	Oregon	Washington
Louisiana	North Dakota	Utah	



MillerCoors™

Value Opportunities for Hawaii

Prepared for MillerCoors LLC by:
Andrew Perroy & Isaac Riffelmacher
University of California, Davis Graduate School of Management

Coupons benefits Hawaii in 3 ways

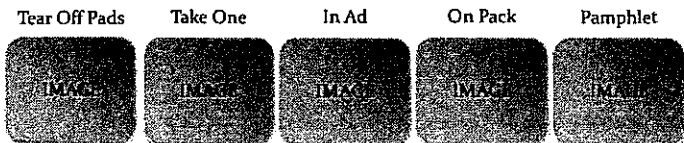
- * Increased value to Consumers
- * Increased revenue to Retailers
- * Increased tax revenue to Hawaii



Value offer delivery landscape is diverse

- * Types of coupon vehicles:
 - o 80% - Mail-In-Rebate (MIR)
 - o 20% - Instant Redeemable Coupons (IRC)

- * Methods of delivery:



Hawaii Revised Statutes Section 281-85

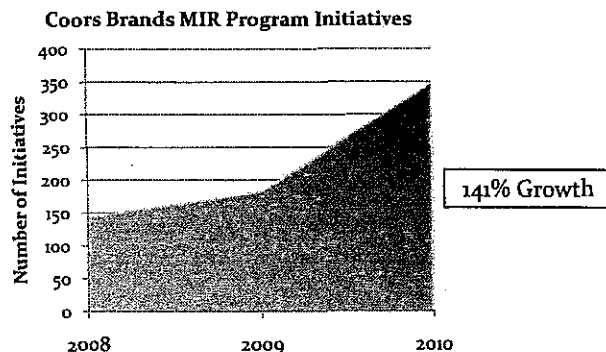
It shall be unlawful for any person acting as agent or representative of a non resident principal or for any licensee directly or indirectly or through any subsidiary or affiliate, to give any premium or free goods of intoxicating liquor or other merchandise in connection with the sale of any intoxication liquor, or to offer or to provide any premium or free goods of intoxication liquor in connection with the sale of other merchandise.

i.e. No purchase necessary



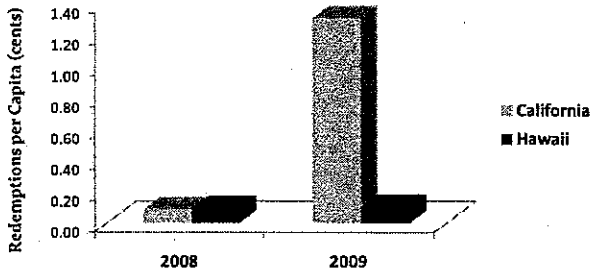
Increased Value to Consumers in Hawaii Means More Money in Consumers' Pockets

National MIR campaigns grew dramatically from 2008 to 2010



Accordingly, MIR redemptions for Coors products skyrocketed in 2009, but Hawaii remained flat

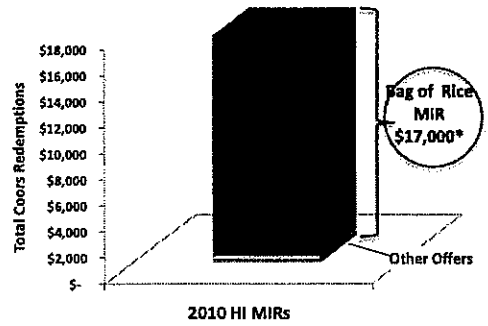
MIR Redemptions Adjusted for Population



2008-2009 MIR coupon redemption data from Tristar



In 2010, MillerCoors tested HI market with a CA-style program—consumers rushed to take advantage

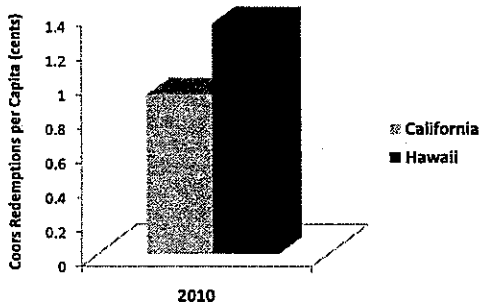


The experiment proved that Hawaiian consumers want these types of MIR offers

* \$10 MIR with 20lb bag of Rice or larger, 3/15/2010-6/30/2010, Offer # 101120-101121.



Hawaii even beat CA in 2010 per capita MIR redemptions



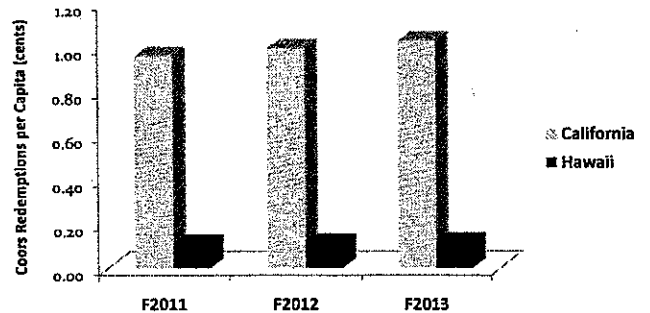
- However... Lack of purchase requirement hides any measurable retail sales increase

- Continuing these types of programs is unlikely unless law is changed.

2010 MIR coupon redemption data from Tristar



Local value from Coors coupons looks bleak in the coming years*



The status quo will ensure that consumers receive 9x less value from Coors coupons compared to Californians

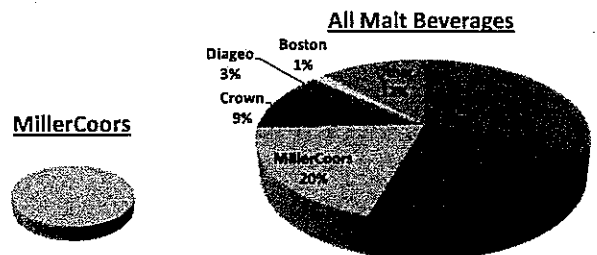
* Assuming an annual increase in MIR expenditures of 3.5% from 2011-2013



HI should receive at least as much value per capita from MIR coupon redemptions as CA

- MillerCoors and other food and beverage companies will invest in Hawaii given the right environment
- MillerCoors should redeem MIRs in HI at the same rate as in CA
 - More MIR redemptions means more cost savings for HI consumers (see MillerCoors table on next slide)
- The effects would be even more dramatic when applied to all food and beverage...

With legislative change, forecasts predict 2011 can bring increased MIR value to Hawaiian consumers



MillerCoors Redemptions	
2011 status quo ¹	2011 w/changes ²
\$1,455	\$18,297

Total Coupon Redemptions	
2011 status quo ¹	2011 w/changes ²
\$7,275	\$91,485

¹ Hawaii MIR redemptions at the forecasted status quo rate of 0.11 cents per capita
² Hawaii MIR redemptions at the California rate of 1.39 cents per capita
 2008-2010 coupon redemption data from Tristar, The Nielsen Company 52 weeks ending 1/1/2011



Enormous consumer value once extended cross all Food and Beverage in Hawaii



Total Coupon Redemptions	
2011 status quo ¹	2011 w/changes ²
\$279,808	\$3,518,654

¹ Hawaii total food and beverage MFR redemptions at the forecasted status quo rate of 0.11 cents per capita
² Hawaii total food and beverage MFR redemptions at the California rate of 1.39 cents per capita
 The Nielsen Company total U.S. Food & Beverage 52 weeks ending 12/25/2010



Suggested change to Hawaii Revised Statutes Sec 281

Notwithstanding any other provision of this chapter, it shall be lawful for any person acting as agent or representative of a non-resident principal or for any licensee directly or indirectly or through any subsidiary or affiliate, to provide a discount to the consumer, either in the form of a coupon redeemed through a retail licensee or through a mail-in rebate and proof of purchase the consumer sends to the licensee or its agent or representative, when purchasing both intoxicating liquor and other merchandise.

i.e. Cross-Merchandise, purchase necessary



Legislative change means:

Increased Revenue to Retailers

Increased Tax Revenue to Hawaii

Research indicates as redemptions grow, so do basket size and tax revenue

- In-store couponing can increase basket size by 14% ¹
 • \$1.00 in-store coupon increases sales by \$7.68 ¹
- Cross-merchandise coupons are redeemed at 5x the rate of traditional coupons ²
- 70% of all purchasing decisions made in store ¹

¹Carrie M. Hellman, Kent Nakamura, Ambar G. Rao. "Pleasant Surprises: Consumer Response to Unexpected In-Store Coupons." *Journal of Marketing Research*, Volume XXXIX, Issue (May 2002): 243-252. Print.

²Christophe Collard, Michael Pustay, Christophe Roquilly, Asghar Zardkoobi. "Competitive Cross-Couponing: A Comparison of French and U.S. Perspectives." *Journal of Public Policy & Marketing*, Volume 20(1), Issue (Spring 2001): 64-72. Print.



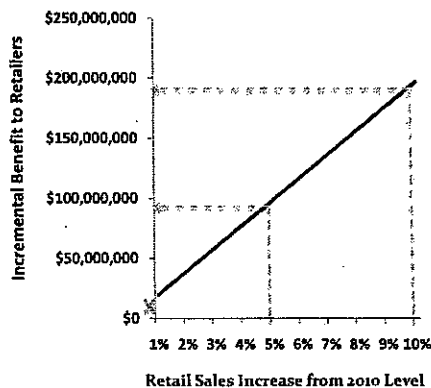
Hawaii should change the law to benefit consumers and bring more value to the state

• A 10% sales increase in the malt beverage category would mean:

• \$16.2 million increased revenue to local retailers over 3 years

• \$649,000 increased general excise tax revenue to Hawaii over 3 years

New coupon law will increase food & beverage sales by up to 10%, which leads to \$197 million more for retailers



Incremental Benefit			
	10%	5%	1%
Retailer	\$196.8 M	\$98.3 M	\$19.7 M
State Tax	\$7.9 M	\$3.9 M	\$0.8 M



The legislative change ensures that previous opportunity cost now becomes value for Hawaii

- ❖ Increased value to Hawaii Consumers, up to

\$3.5 Million

- ❖ Increased revenue to Hawaii Retailers, up to

\$197 Million

- ❖ Increased tax revenue to Hawaii, up to

\$7.9 Million



Data References

- * The Beer Institute. US Census data 6/10/2009. <<http://www.beerstitute.org/>>. January 1, 2011.
- * The Nielsen Company. Oahu grocery sales and malt beverage share, 52 weeks ending 1/3/09, 1/2/10 and 1/1/11. Paul Righello, Business Analyst, MillerCoors LLC. January 25, 2011.
- * The Nielsen Company. Malt Beverage share to total U.S. Food & Beverage, 52 weeks ending 12/25/2010. Marty Lake, Beverage Alcohol, The Nielsen Company. January 21, 2011.
- * TriStar Fulfillment Services. 2007-2010 MillerCoors coupon redemption data. Jason Rohlfing, Senior Account Manager, TriStar Fulfillment Services. January 10, 2011.
- * TriStar Fulfillment Services. 2008-2010 MillerCoors annual coupon redemption data. Jason Rohlfing, Senior Account Manager. January 21, 2011.



References

- * Avis-Neva, Catherine Wolfram. "Why do manufacturers issue coupons? An empirical analysis of breakfast cereals." *RAND Journal of Economics*, Volume 33, No. 2. Issue (Summer 2002): 319-339. Print.
- * Carrie M. Hellman, Kent Nakamoto, Ambar G. Rao. "Pleasant Surprises: Consumer Response to Unexpected In-Store Coupons." *Journal of Marketing Research*, Volume XXXIX, Issue (May 2002): 242-252. Print.
- * Christophe Collard, Michael Pustaj, Christophe Raquilly, Asghar Zardkoobi. "Competitive Cross-Couponing: A Comparison of French and U.S. Perspectives." *Journal of Public Policy & Marketing*, Volume 20(1), Issue (Spring 2001): 64-72. Print.
- * David J. Reibstein, Phillis A. Traven. "Factors Affecting Coupon Rederoption Rates." *Journal of Marketing*, Volume 46, Issue (Fall 1982): 102-113. Print.
- * Eric T. Anderson, Inseong Song. "Coordinating Price Reductions and Coupon Events." *Journal of Marketing Research*, Volume XLJ, Issue (November 2004): 411-422. Print.
- * Kapil Bawa, Robert W. Shoemaker. "The Coupon-Prone Consumer: Some Findings Based on Purchase Behavior Across Product Classes." *Journal of Marketing*, Volume 51, Issue (October 1987): 99-110. Print.
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- * Narasimhan, Chakravarti. "A Price Discrimination Theory of Coupons." *Marketing Science*, Volume 3, No. 2, Issue (Spring 1984): 128-147. Print.
- * Subimal Chatterjee, Timothy B. Heath, Soman Basuroy. "Cross-Coupons and Their Effect on Asymmetric Price Competition Between National and Store Brands." *Advances in Consumer Research*, Volume 27, Issue (2010): 24-29. Print.
- * Suresh Ramanathan, Sanjay K. Dhar. "The Effect of Sales Promotions on Size and Composition of the Shopping Basket: Regulatory Compatibility from Framing and Temporal Restrictions." *Journal of Marketing Research*, Volume XXXVII, Issue (June 2010). Print.





February 24, 2011

House Committee on Finance
Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Chair

Friday, February 25, 2011
6 p.m.
Conference Room 308

RE: Opposition to HB840 – Relating to Liquor

Rep. Oshiro and Rep. Lee, and members of the House Committee on Finance:

My name is Jerry Gibson and I am the area vice president, Hawaii region, for Hilton Worldwide. I am testifying on behalf of the thousands of team members employed at our Hilton family properties across the state.

You are well aware of the difficulties that the visitor industry has faced during the economic downturn that started in 2008. We are still trying to recover. It will take several more years until we can achieve the average rates that we had back in 2005.

Because of the impact that the visitor industry has to the state of Hawaii, our losses in revenue have become losses to the entire state, through loss of tax revenue, loss of jobs, loss of demand for goods and services and the list goes on and on.

We are already charging our guests higher TAT taxes and we know that these taxes will increase. Our guests are complaining that the prices in our restaurants are extremely high. They complain about the high costs of groceries and packaged goods at our sundry shops.

An increase in the liquor tax would only serve to reduce the amount consumed and purchased by our visitors thus further hurting our employees as well as our ability to maintain full employment. In addition, a reduction in purchases would actually REDUCE the amount of tax revenue that the state receives.

Our visitors do not have to come to Hawaii. There are many other attractive (and less costly) vacation destinations. We should do everything we can to encourage them to come rather than continuing to find ways to discourage them.

We urge you to hold on HB840 until which time our economy has recovered and our visitor industry is healthy enough to withstand such an increase.

Sincerely,

Jerry Gibson
Area Vice President – Hawaii
Hilton Worldwide

THE
WAIKIKI
EDITION™

Representative Marilyn B. Lee
House District 38
Hawaii State Capitol, Room 434
Honolulu, HI 96813

February 24, 2011

Dear Representative Lee

As the General Manager of the Waikiki EDITION, I have several concerns regarding HB 840, Relating to Health, and respectfully request your opposition to the bill. The bill proposes a tax increase on beer, wine and spirits and if passed, will have a detrimental effect on our hotel and Hawaii's hospitality industry as a whole.

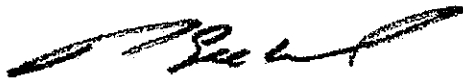
Hawaii's economy is driven by tourism and while it's shown promising improvement in recent quarters, we are still nowhere near the levels we were at decade ago. Business is difficult and we've already had to decrease employee hours during the past several months. A tax increase of this magnitude will impede our industry's recovery and has several adverse affects on our hotel:

- Potential loss of revenues. Alcohol sales account for almost 50% of our total revenue. Higher drink prices will undoubtedly lower consumption and hurt our bottom line.
- Potential job loss. Most importantly, a decline in consumption and business activity will ultimately lead to loss of jobs. The hospitality industry has already lost thousands of jobs during the recent economic downturn and the tax increase will only worsen our state's unemployment levels.

Alcohol taxes in Hawaii are already among the highest in the nation. Targeted tax measures are not the answer to Hawaii's recovery. Practical funding should be fair and broad based and should not single out one product or industry. Balancing the state's budget is everyone's responsibility.

Thank you for considering my views on this matter.

Sincerely,



Michael Rock
General Manager
The Waikiki EDITION



David L. Lewin
General Manager

Hyatt Regency Waikiki Resort & Spa
2424 Kalakaua Avenue
Honolulu, Hawaii 96815 USA

Telephone: 808.237.6100
FAX: 808.237.6114
Email: dlewin@hyatt.com
waikiki.hyatt.com

February 24, 2011

Representative Marcus R. Oshiro, Chair
House of Representatives
Committee on Finance

RE: Notice of Hearing – February 25, 2011, 6:00pm
Testimony – HB 840 (Relating to Liquor)

Dear Representative Oshiro:

I am strongly opposed to the passage of HB 840 which increases liquor tax rates. As the General Manager of a major hotel in Waikiki (employing over 700 associates), the net result of this bill will be the layoffs of several of my bartenders and waithelp.

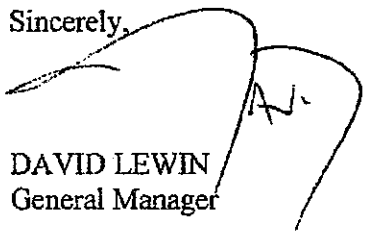
With the extraordinarily high wages and benefits our employees receive, our drink prices are already the highest in the market. Increasing the liquor tax will force us to raise our prices and will drive our current customers to other less costly establishments.

I speak from experience and the fact that we have had to close several of our bars and restaurants in the past because high labor costs forced our prices higher which decimated our customer base. At the Hyatt Regency Waikiki the following restaurants and bars were closed for the aforementioned reason: Trappers, Spats Night Club, Harry's Bar & Grill, Texas Rock and Roll Sushi Bar and Musashi. These outlets once employed over 150 bartenders, servers, cooks and support staff.

The passage of this bill would result in further loss of life sustaining jobs not only in our hotel but across the entire hospitality industry.

Balancing the State's Budget is everyone's responsibility. These "targeted" tax measures are not the answer. All Hawaii citizens need to share the burden.

Sincerely,



DAVID LEWIN
General Manager

DL:alf



HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)
1050 Bishop St. Box 235
Honolulu, HI 96813
Fax : 808-791-0702
Telephone : 808-533-1292

DATE: Friday, February 25, 2011- TIME: 6:00pm

PLACE: Conference Room 308

FROM: Hawaii Food Industry Association - Lauren Zirbel, Government Relations

TO: COMMITTEE ON FINANCE

Rep. Marcus R. Oshiro, Chair

Rep. Marilyn B. Lee, Vice Chair

RE: HB 840, PROPOSED HD 1 RELATING TO LIQUOR

HFIA strongly opposes this bill.

The legislature must stop taxing groceries. It is the most unfair and regressive way to fill the budget deficit.

The beverage industry is already doing more than its fair share to raise money for the State of Hawaii. The bottle bill has cost the industry a significant amount of profit percentage in surcharges and reduced sales. **Please don't pass on the tab for the budget deficit to the food and beverage industry.**

Our state already boasts the second **highest excise tax rate on beer in the country**, with only Alaska coming in higher. In fact, at \$.93 per gallon, Hawaii's bottled beer excise tax rate is **260% higher than the national average** of \$.26 per gallon.

Distilled spirits are among the most heavily taxed consumer products in the United States and are already assessed significant taxes and fees in Hawai'i. For a typical bottle of distilled spirits sold in Hawai'i, 25% of the retail price goes to pay State and local taxes and fees. When factoring in federal taxes and other fees, 51 % of the purchase price of each bottle of distilled spirits goes toward such taxes and fees.

For Wine products this proposed 50% tax increase of \$2 07 per wine gallon will ultimately harm the responsible wine consumers in Hawaii by increasing the price of wine, which is difficult to bear in tough economic times. With this increase, Hawaii's liquor tax on wine will be the third highest in the nation, surpassed only by Alaska at \$2 50 with no additional sales tax and Florida at \$225 with an additional sales tax. **Hawaii wine consumers already pay one of the highest prices in the United States for their wine**, given Hawaii's general excise tax of 4. 17% or 4.712% for Honolulu County and the higher transportation costs to ship wine to Hawaii.

HFIA does not support tax increases, especially increases that will simply increase the costs to consumers at a time when taxpayers cannot afford such increases. **This tax is highly regressive and will impact the poor the most.**

If you pass this measure it will severely damage the retail and beverage industry, **costing the state many jobs**. The loss of these jobs will cost significantly more in the long run than the gains in revenue which this liquor tax increase may generate.

Thank you for the opportunity to provide this testimony.



February 25, 2011

Representative Marcus R. Oshiro, Chair
Finance Committee
Hawaii State Capitol, Room 214
Honolulu, HI 96813

Dear Chairman Oshiro:

The purpose of this letter is to ask that you OPPOSE House Bill 840, the proposal to increase taxes on beer, wine and liquor. As President of Better Brands we employ 160 number people in the State of Hawaii, the proposed HB840 would negatively affect the way we go to business in every aspect, not to mention finding the need to decrease our employee count by 10%.

This increase is devastating not only to ourselves but our local and visiting consumers alike. The trickle down effect will negatively impact our local retailers, restaurants, hotel and visitor industries. The negative impact would also increase job losses to our local vendors who support our company, such as trucking and transportation.

I submit this with the deepest concern and ask for you to OPPOSE this proposal.

Sincerely,

George D. Szigeti
President

February 24, 2011

Via Fax 586-6001 (Oahu)

COMMITTEE ON FINANCE
Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair
House of Representatives
State Capitol
415 South King Street
Honolulu, Hawaii 96813

Re: H.B. 840 Relating to Liquor

Dear Chair Oshiro, Vice Chair Lee, and Committee Members:

The Hawaii Liquor Wholesalers Association ("HLWA") respectfully submits the following written testimony in opposition to H.B. No. 840 relating to the liquor, which is scheduled for hearing by your Committee on Friday, February 25, 2011. Part I of H.B. No. 840 would increase the taxes payable on distilled spirits, sparkling wine, still wine, cooler beverages and beer. While we understand that the State government faces substantial fiscal issues, HLWA believes that Part I of H.B. No. 840, which would increase liquor tax rates is inappropriate and unworkable for several reasons.

First, Hawaii's tax rates on liquor already are among the highest in the country. Hawaii's businesses and residents already are burdened by high costs of living and doing business. Further increasing taxes would result in cuts in employment and job losses.

Second, particularly in a recessionary economy, consumption of alcoholic beverages is likely to be highly elastic or sensitive to changes in prices. Thus, increasing the taxes on liquor will result in decreases in consumption that offset any projected increases in tax revenue and not offset any resulting job losses.

Third, a significant portion of alcoholic beverages are consumed by visitors. While businesses in the tourist industry were forced to lower rates to attract visitors during this economic recession, adding an increase in the liquor tax would only make the cost of a vacation even more expensive, and is counter-productive to attempts to stimulate the State's number one economic driver.

For the foregoing reasons, we respectively oppose H.B. No. 840. Thank you for your consideration of the foregoing.

Very truly yours,

HAWAII LIQUOR WHOLESALERS ASSOCIATION



NO TO HOUSE BILL 840

A BILL FOR INCREASING THE TAX ON LIQUOR, BEER & WINE

Addressed to: Legislature of the State of Hawaii

Hello, my name is Shana Yoshinaga & I am currently the Graphic Manager at Better Brands Ltd. I am writing to let you know that I strongly but respectfully oppose HB840.

It's seems almost discriminatory to pass a specific tax on wine, beer and liquor in an attempt to fill a large financial gap in the State (*Ref. Hawaii News Now | Posted: Feb. 18, 2011*). Passing this bill will cause a huge detriment to our local economy by negatively affecting Hawaii's Service Industry, which not only support thousands of local residents but directly impacts our most important industry: *Tourism*.

If passed, this bill could be responsible for the loss of many local businesses and salaried wages. From a personal stand point this industry is one of the very few on the island that supports my specific trade while also providing me with a competitive annual salary, retirement and health benefits. If I lose this I will have nothing to fall back on.

I hear that this bill is also being promoted as a "healthy lifestyle" change. I don't think it is right to pass a bill in order to discourage people from making a specific personal choice that clearly abides by state laws. It comes down to social responsibility and self-moderation. It will unnecessarily take more money from the pockets of hard-working consumers & out-of-state visitors only to go back to the State.

In summary, this bill will negatively impact wages, local residents, local businesses and tourism. Please do not pass HB840. Thank You for taking the time to read what I have to say.

Sincerely,

Shana K. Yoshinaga

Graphic Manager | Better Brands Ltd. | Division of Young's Market Co.

SUBJECT: HB840 Testimony

February 24, 2011

I work in the liquor industry and I am opposed to any tax increase on alcohol.

I believe putting a tax on liquor will not increase any health benefit to the public as it is the parent's and personal choice of that individual. It was done with cigarettes and has not stopped the majority of smokers to quit or cut down. If it is such the case that health is an issue why is only alcohol being singled out?

Taxing alcohol will severely affect the working men and women across this state. Not only within the liquor industry but those directly related to it - i.e. restaurants, bars, clubs, markets, etc.

I work as a graphic designer for a liquor distributor and am in great fear that if this bill passes through, mine and several other jobs will be cut first. Or I will have a severe decrease in my already minimal wages. I live alone and work to support myself - it is already difficult to find any job in my field especially in this struggling economy.

I feel this will increase the already large deficit they are trying to balance with this tax. This tax means jobs will be lost therefore not as much money is being put back into the economy due to the loss in wages and the gap will further increase. Another solution other than singling out one industry to support the majority of the deficit needs to be found.

Hawaii already relies so much on the tourist industry and I think this tax will definitely impact that as well, as hotels will be affected in higher prices to the consumers in order for them to carry liquor thus deterring those wanting to come and visit the islands.

It is a trickle-down effect that I believe the proposers have not thoroughly thought about how many jobs and how much the economy will be affected through this.

Please greatly consider the consequences if this bill is passed.

Regards,
Megan Matsuoka

graphic designer
Better Brands Ltd.
Direct Line: (808) 676-6126
E-mail: MeganMatsuoka@youngsmarket.com

2/24/11

HB840

To Whom It May Concern,

My name is Ty Sakaguchi & I work for Anheuser-Busch Sales of Hawaii. I am oppose to this law being passed because it will do more harm than good. I know that the State is in a deficit but I do not understand why lawmakers are focusing on 1 industry. To be fair, the tax should be spread equally throughout all consumer good products. If the liquor tax increase is passed, I could lose my job and I am already struggling as it is. This will not only hurt the distributors but also the bar, restaurant & hotel industries.

I am also opposed to the State using coupons & scanbacks for alcoholic beverages. They are prone to fraud and abuse & in many cases substantial numbers of coupons are redeemed for cash without any actual savings being passed on to consumers. Also coupons can be discriminatory favoring large retailers over small. Coupons and scanbacks are not needed to ensure that consumers receive the advantages of price competition & finally the State does not have the resources for proper oversight.

Thank-you for your time.

Ty Sakaguchi.

TESTIMONY OF MICHAEL JOKOVICH, GENERAL MANAGER,
HYATT REGENCY MAUI RESORT AND SPA,
ON HB840 RELATING TO LIQUOR

HEARING: FRIDAY, 2/25/11 AT 6:00 PM

Good morning Chairman Oshiro and members of the House Committee on Finance.

As the general manager of a major resort hotel on Maui, I wish to express strong opposition to HB840 which will increase the tax on liquor.

We already hear comments from our guests that the drink prices in our restaurants and lounges are too high but, as we continue the struggle to return to profitability in these uncertain economic times, we would have no alternative but to pass this increase on to our customers. This can only strengthen the perception already held by many in the travel industry that Hawaii is too expensive and they should look elsewhere for more affordable vacation and meeting destinations.

I firmly believe that any additional revenue this tax increase might bring to the State will only be offset by a decrease in revenue due to this lost business, thus doing little to benefit the State's economy while severely hurting the working men and women whose livelihood depends on the hospitality industry.

Please show your support for the visitor industry, which is one of Hawaii's major revenue producers, by voting No on HB840.

Thank you for your consideration.

Michael Jokovich
General Manager
Hyatt Regency Maui Resort and Spa
200 Nohea Kai Drive
Lahaina, Maui, HI 96761

808-667-4400
michael.jokovich@hyatt.com

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 24, 2011 5:48 PM
To: FINTestimony
Cc: aaron.naong@anheuser-busch.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Aaron Naong
Organization: Anheuser-Busch Sales of Hawaii
Address:
Phone:
E-mail: aaron.naong@anheuser-busch.com
Submitted on: 2/24/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 24, 2011 5:02 PM
To: FINTestimony
Cc: alliecat_6331@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Alexis Ybarra
Organization: Military Clubs - bars and restuarants
Address:
Phone:
E-mail: alliecat_6331@yahoo.com
Submitted on: 2/24/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 1:55 PM
To: FINTestimony
Cc: shay@oceanvodka.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: shay smith
Organization: Hawaii Sea Spirits- Ocean Vodka
Address:
Phone:
E-mail: shay@oceanvodka.com
Submitted on: 2/24/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 24, 2011 5:49 PM
To: FINTestimony
Cc: grace.leung@anheuser-busch.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Grace Leung
Organization: Individual
Address:
Phone:
E-mail: grace.leung@anheuser-busch.com
Submitted on: 2/24/2011

Comments:

I honestly believe the majority of the people in Hawaii do not want you to raise liquor tax rates by a whopping 50 percent? I a citizen, tax payer and employee here in Hawaii oppose the bill that increases liquor tax rates by any percent, in part because of the many unintended consequences of this sky high liquor tax.

- Tourists will tell their friends about the highest adult beverage prices they have ever seen (Hawaii has the highest taxes on beer and one of the highest on wine). Some friends are found to be travel agents who will advise their clients accordingly. Consequentially, tourism, our primary industry, will have even more pain inflicted upon it. Instead of spending millions of taxpayer money to promote Hawaii, why not just abstain from passing laws that make Hawaii less attractive as a tourist destination?
- Reduced legal consumption of liquor will increase unemployment in bars, taverns, clubs, hotels, and retail liquor stores because fewer people will be able to afford alcohol and will purchase less alcohol. To make matters worse, the additional unemployment will further reduce revenues from income taxes.
- Legal consumption of alcohol will be reduced and further expand the consumption of untaxed illegal drugs and untaxed home made alcohol, which in turn, will further erode our tax base, while increasing profits for criminals.
- There is also a health issue. Statistically, moderate consumers of alcohol are healthier, live longer and are more productive over the span of their lives. A moderate consumer is defined as having between 2 and 14 drinks per week. Abusers consume more, abstainers less. Such a large liquor tax increase will shove some people from the moderate liquor consumers group into the less healthy, abstainers group, which will further burden our already overtaxed health system. Some abusers may switch to illegal drugs.

I again a citizen and tax payer of Hawaii hope legislators will refrain from increasing liquor tax rates by any percent. You will thereby oppose killing our tourist industry, creating further unemployment, increasing profits for criminals, turning law abiding consumers of alcohol into illicit drug users, and reducing the states net tax revenues.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 5:50 PM
To: FINTestimony
Cc: jef709@msn.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: James Followell
Organization: Individual
Address:
Phone:
E-mail: jef709@msn.com
Submitted on: 2/24/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 24, 2011 6:16 PM
To: FINTestimony
Cc: gerardo.pfeiffer@anheuser-busch.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Gerardo Pfeiffer
Organization: Individual
Address:
Phone:
E-mail: gerardo.pfeiffer@anheuser-busch.com
Submitted on: 2/24/2011

Comments:

Please find a broader based solution to our financial problems that would involve all citizens of our state, such as raising the G.E.T., rather than taxing only one specific group of citizens. This action will not solve our problem and it will deceive other citizens into thinking that our problems are solved. I oppose this bill.

FINTestimony

From: mailinglist@capitol.hawaii.gov
sent: Thursday, February 24, 2011 5:34 PM
To: FINTestimony
Cc: brutus@hawaii.rr.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Stephen Ruiz
Organization: Individual
Address:
Phone:
E-mail: brutus@hawaii.rr.com
Submitted on: 2/24/2011

Comments:

I feel its unfair to continually target a specfic group every time we need to increase revenue. a tax should be more broad based, so everyone pays a fair share.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 5:30 PM
To: FINTestimony
Cc: sleepybenson@hawaii.rr.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Barbara Samson
Organization: Individual
Address:
Phone:
E-mail: sleepybenson@hawaii.rr.com
Submitted on: 2/24/2011

Comments:

Tourism is a major industry to Hawaii. People come here to relax and enjoy. We got room tax and now you want to tax the large beer/liquor industry and distribute Coupons! DISCRIMINATION! Having a beer while on vacation is a must for many...they can relax...no worries but put a extra tax will rise the cost of beer...who wants to pay more on their vacation for food and liquor....You are putting more people out of work and discouraging business from staying in Hawaii. Tourism is going to decline. You're deliberately putting individuals out of work to join the unemployment and welfare lines which in turn affects the taxpayers of Hawaii. If you need to raise taxes....forget the rail..why we have to pay for something not everyone wants or needs. Make the tax burden on everyone not just one group. Health experts are saying that having a beer or wine a day is healthy. It is suppose to help your heart. Put additional tax on it and people won't be able to afford it. Your tax will affect the health and financial support of many. I strongly oppose this bill. Suggest you take a cut in your paycheck for the fact that you are not taking care of the people you serve and elected you.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 5:44 PM
To: FINTestimony
Cc: moki8869@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: Yes
Submitted by: alexandra doane
Organization: Individual
Address:
Phone:
E-mail: moki8869@yahoo.com
Submitted on: 2/24/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 3:50 PM
To: FINTestimony
Cc: keala_hoku@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: keala Vasconcellos
Organization: Individual
Address:
Phone:
E-mail: keala_hoku@yahoo.com
Submitted on: 2/24/2011

Comments:
JOB'S WILL BE CUT IF THIS OCCURS...

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 24, 2011 3:27 PM
To: FINTestimony
Cc: beckyspray@hotmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Rebecca Spray
Organization: Individual
Address:
Phone:
E-mail: beckyspray@hotmail.com
Submitted on: 2/24/2011

Comments:

My name is Rebecca Spray and I work in the beer industry. I'm contacting you to respectfully ask for you to vote against ANY alcohol tax increase. We need broad-based solutions to Hawaii's budget problems, not a tax increase on one industry that hurts working men and women across the state. Hawaii consumers already pay among the highest beer taxes in the nation. Please call me to discuss further any concerns or questions that you may have. Thank you for your consideration.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 24, 2011 2:05 PM
To: FINTestimony
Cc: ke-aloha@hawaiiantel.net
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Eric M. Fujimoto
Organization: Individual
Address:
Phone:
E-mail: ke-aloha@hawaiiantel.net
Submitted on: 2/24/2011

Comments:

The proposed increasing taxes on beer, wine and liquor - no matter what amount - will negatively impact sales and could affect the thousands of jobs that are directly and indirectly provided by the hospitality industry in Hawaii. In the current economy, the last thing we need is more taxes.

We need broad-based solutions to Hawaii's budget problems, not a tax increase on one industry that hurts working men and women across the state. Hawaii consumers already pay among the highest beer taxes in the nation and we do not need this increase.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 24, 2011 2:01 PM
To: FINTestimony
Cc: cwittmie@youngsmarket.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM
Attachments: test.doc

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Christa Wittimer
Organization: Individual
Address:
Phone:
E-mail: cwittmie@youngsmarket.com
Submitted on: 2/24/2011

Comments:

I do not support the increasing of liquor tax to 50%. This will affect every restaurant, every bar, every store, as well as every individual. This will affect me personally as a professional in the liquor industry who has continued to support the community and various organizations. This increase will jeopardize the entire State of Hawaii. Please reconsider.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 1:24 PM
To: FINTestimony
Cc: viernesr006@hawaii.rr.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM
Attachments: Against increasing alcohol taxes.docx

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Roberto Viernes
Organization: Individual
Address:
Phone:
E-mail: viernesr006@hawaii.rr.com
Submitted on: 2/24/2011

Comments:

As a Master Sommelier I see this increase on alcohol taxes, especially in the guise of creating a healthier environment for the people of Hawaii to make a more informed decision as misled and punitive against the alcohol industry and they will result in the laying off of many jobs within the industry due to a drop in overall business.

The citizens of Hawaii are responsible enough to make their own decisions without the government trying to coerce them. It is common knowledge that alcohol can have deleterious effects when over-consumed. This hike in taxes will not 'inform' anyone any more of the effect of alcohol than common sense already does and has. It will only discourage people who are law abiding consumers of alcohol to lower their consumption and or cease consumption of alcohol altogether. This will have a direct impact on the jobs and families of workers in the Hawaiian alcohol industry. When wholesalers, distributors, importers, hotels, restaurants and retailers see their sales plummet as a result of this increase in taxes, they will have no recourse but to lay off workers. This is terrifying to me and my colleagues not only in Hawaii but around the country.

In addition, we all know how important our tourist industry is to the economic well-being of Hawaii. When our visitors come to our islands and see the inflated prices on alcoholic beverages in the restaurants, bars, hotels and stores, they will take a second thought in coming back or recommending it to their family and friends. They will see the less value in coming to Hawaii if their hard earned dollars cannot go as far as if they vacationed elsewhere. The result will be a decrease in visitor numbers and less revenue for private business as well as government. This again will directly impact our local economy by forcing business owners and government to re-evaluate their labor levels and ultimately force them to downsize due to the drop in business.

In the end the increase in alcohol tax will have a most negative effect on the economy of the state. Workers will be laid off and fewer visitors will come to Hawaii. I humbly urge you to rethink your position if you are in favor of this increase and to vote against it. Remember how your vote today will impact all of Hawaii and its people. Thank you for your time and civil service.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 24, 2011 1:41 PM
To: FINTestimony
Cc: shay@oceanvodka.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: shay smith
Organization: Individual
Address:
Phone:
E-mail: shay@oceanvodka.com
Submitted on: 2/24/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 1:58 PM
To: FINTestimony
Cc: myurth@hawaii.rr.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Melody Yurth
Organization: Individual
Address:
Phone:
E-mail: myurth@hawaii.rr.com
Submitted on: 2/24/2011

Comments:

Dear Representatives;

Please assist in controlling the increases that are planned for the alcoholic beverages (HB840). I am employed by a beverage distributor and am concerned that the current 50% tax increase will result in reduction of pay and/or job loss in the industry. There are many individuals that will be affected from the server in the hotels to the merchandiser in the stores. Please take this into consideration when voting on this bill.

Sincerely,
Melody Yurth

FINTestimony

From: mailinglist@capitol.hawaii.gov
sent: Thursday, February 24, 2011 3:56 PM
To: FINTestimony
Cc: shitod001@hawaii.rr.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: Yes
Submitted by: Tracy N Shito
Organization: Individual
Address:
Phone:
E-mail: shitod001@hawaii.rr.com
Submitted on: 2/24/2011

Comments:

Please do not pass this bill, this is really going to hurt the industry and our lively hood too. I would rather see them raise the exise tax that way everybody will be accountable....
Thanks a lot

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 4:01 PM
fo: FINTestimony
Cc: jhawkhawaii@gmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: Yes
Submitted by: Joe Fairchild
Organization: Individual
Address:
Phone:
E-mail: jhawkhawaii@gmail.com
Submitted on: 2/24/2011

Comments:

I am in the liquor and wine business and respectfully as that you cote against any alcohol tax increase. Any increase could result in the loss of jobs releted to the distribution business and our very important tourism business Thanks

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 4:06 PM
To: FINTestimony
Cc: robert.jordano@anheuser-busch.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Robert Jordano

Organization: Individual

Address:

Phone:

E-mail: robert.jordano@anheuser-busch.com Submitted on: 2/24/2011

Comments:

Please stop selecting which segment of the population you want to burden with higher taxes. Tax everyone equally, that's the only fair way to raise revenues. More importantly STOP SPENDING SO MUCH OF OUR MONEY!!!!!! Cancel all the marginal programs i.e. (Free lunches, Welfare, etc.)you run and fix the damn roads!!!

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 4:05 PM
to: FINTestimony
Cc: tcabana@hawaii.rr.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Tracy Cabana
Organization: Individual
Address:
Phone:
E-mail: tcabana@hawaii.rr.com
Submitted on: 2/24/2011

Comments:

Hawaii already has one of the highest liquor tax in the nation & with the proposed we will be thee highest. A tax reduction to some will shift the burder to other taxpayers. The fairest solution is the one with the broadest base & not the one that burdens some and not others.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 4:25 PM
To: FINTestimony
Cc: rossm@hawaii.rr.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Ross Matsumoto
Organization: Individual
Address:
Phone:
E-mail: rossm@hawaii.rr.com
Submitted on: 2/24/2011

Comments:

Do not tax only one segment, tax all the tax payers by raising the excise tax. The excise tax hits all, maybe not fairly, but more fairly than only one segment of the tax base. Coupons just creates more cost for the state, the overseer, more cost for the suppliers and the vendors, the people who have to work the program to get paid. Coupons just muddies the problem of short tax dollars. Do not give breaks to small brewers and brewpubs, we all must carry the burden. Raise the excise tax to cover the states needs, that cost is better understood by the many and the state will have a better chance for real change. Keep it simple, the state does not have enough revenue, raise the excise tax. If you feel this may generate too much funds in the future, put a sunset clause on the increase and roll back the excise rate. With an increase of the excise tax rate, the public can better see how the excise tax pays for the services offered by the state.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 4:21 PM
fo: FINTestimony
Cc: mark.wong@anheuser-busch.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Mark Wong
Organization: Individual
Address:
Phone:
E-mail: mark.wong@anheuser-busch.com
Submitted on: 2/24/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 4:44 PM
To: FINTestimony
Cc: brian2llin@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Brian Shigaya
Organization: Individual
Address:
Phone:
E-mail: brian2llin@yahoo.com
Submitted on: 2/24/2011

Comments:

Coupons on liquor are prone to fraud and abuse. It's difficult to account for coupon transactions, and there's no assurance the actual savings will be passed on to consumers. They can be discriminatory by favoring large retailers over small retailers as many smaller retailers don't have scanning equipment to benefit from it. Additionally, the State doesn't have the resources to properly oversee the appropriate use it.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 4:37 PM
fo: FINTestimony
Cc: neilpatrick18@hotmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Neil Sullivan
Organization: Individual
Address:
Phone:
E-mail: neilpatrick18@hotmail.com
Submitted on: 2/24/2011

Comments:

Any increase in alcohol tax is uncalled for. We are already near the highest in the country, the price of drinks will shoot through the roof. The will have a negative effect on jobs, tourism, and overall the economy. No tourist wants to pay \$18 for a Mai Tai.

FINTestimony

From: mailinglist@capitol.hawaii.gov
sent: Thursday, February 24, 2011 4:43 PM
to: FINTestimony
Cc: kielepennington@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Aaron Pennington
Organization: Individual
Address:
Phone:
E-mail: kielepennington@yahoo.com
Submitted on: 2/24/2011

Comments:

This bill will have a detrimental effect on our #1 economy here in the State, TOURISM!!! It is very expensive for families to come to Hawaii and it will make it more difficult if prices continue to rise. Large convention groups will also be affected when planning their stay here in the State. Planners make look at more economical choices...I.E. Las Vegas, New Orleans, etc. Thank you for your consideration and for choosing not to push this through.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 4:11 PM
fo: FINTestimony
Cc: hharris@youngsmarket.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: Yes
Submitted by: Harry Harris
Organization: Individual
Address:
Phone:
E-mail: hharris@youngsmarket.com
Submitted on: 2/24/2011

Comments:
This tax will hurt our recovering economy

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 24, 2011 4:53 PM
To: FINTestimony
Cc: brian2llin@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Lin Ann Chang
Organization: Individual
Address:
Phone:
E-mail: brian2llin@yahoo.com
Submitted on: 2/24/2011

Comments:

Additional sin taxes is not the way to balance the budget. This impacts small businesses, which makes up majority of Hawaii businesses but also the casual consumers of alcohol.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 4:50 PM
to: FINTestimony
Cc: thomas.newton@anheuser-busch.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: thomas newton

Organization: Individual

Address:

Phone:

E-mail: thomas.newton@anheuser-busch.com Submitted on: 2/24/2011

Comments:

This bill will affect everyone in our community this will greatly affect tourism and not to mention the loss of MANY jobs in our industry

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 4:54 PM
fo: FINTestimony
Cc: makalohimai@gmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Regina Maunakea
Organization: Individual
Address:
Phone:
E-mail: makalohimai@gmail.com
Submitted on: 2/24/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 7:30 PM
To: FINTestimony
Cc: mauigonzalez808@gmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Miguel Gonzalez
Organization: Individual
Address:
Phone:
E-mail: mauigonzalez808@gmail.com
Submitted on: 2/24/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 7:36 AM
to: FINTestimony
Cc: craig.nakatsukasa@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Craig Nakatsukasa
Organization: Paradise Beverages, Inc.
Address:
Phone:
E-mail: craig.nakatsukasa@parbev.com
Submitted on: 2/25/2011

Comments:

I am submitting this written testimony in opposition to alcohol tax increase in part 1 of HB840.

My name is Craig Nakatsukasa. I am the Off Premise Sales Manager at Paradise Beverages, a local beverage wholesaler, selling and distributing both alcoholic and non-alcoholic beverages to Hawaii retailers. We distribute national brands from large companies like: MillerCoors, Heineken, Corona, Diageo Beer, 7UP / Snapple, and Nestle as well as brands from local companies like Hawaii Nui Brewing Co, Maui Brewing Co and Wailua Soda Works.

I read daily about the dire straits of state budget and the need to generate more dollars in addition to all the cuts currently employed. As much as I can appreciate the need to contribute, I cannot understand why the beverage industry is being targeted, especially alcoholic beverages. Alcoholic beverages in Hawaii are already taxed at one of the highest rates in the nation. This drives retail prices very high for our local consumer, as well as our visiting tourist having a beverage in Waikiki.

The economy is already tough, with various external expenses constantly on the rise, further increasing our cost of goods in an already competitive market. Profit margins are compressed year after year in order to maintain competitiveness and velocity rates, critical to our survival. 2010 and 2009 sales struggled as a result of this tough economy. An increase in the alcohol tax could severely impact our sales and profitability, causing us to take drastic actions to reduce costs. I fear this would impact our employees in reduced hours and layoffs. Our employees are hard-working, regular people, who feel proud to live in and support Hawaii. Please do not make decisions that will negatively impact their future. Please vote no on Alcohol tax increases in HB840.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 7:24 AM
to: FINTestimony
Cc: mpthrift@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Mark Thrift
Organization: Individual
Address:
Phone:
E-mail: mpthrift@yahoo.com
Submitted on: 2/25/2011

Comments:

I am writing you today to respectfully request your opposition to any increase in beer, wine or alcohol tax. I have been employed in the beverage alcohol industry for 38 years, starting my career in Oregon then in California and now here in Hawaii I have been through so many these "sin tax" debates it has become really tiring. The bottom line is these types of taxes are not good for our economy and will not generate the amount of revenue you think it will. It never does. The answer to more revenue is more jobs and controlled spending not higher taxes. I hope you do not have to learn the hard way that higher taxes on items that we enjoy everyday is not the way to treat the people or the visitors of our beautiful state.

Cordially,

Mark P. Thrift
2333 Kapiolani Blvd.
Apt. 3101
Honolulu, HI 96826
mpthrift@yahoo.com
808-222-0088

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 6:52 AM
fo: FINTestimony
Cc: jyoshikane@netscape.net
Subject: Testimony for HB840, on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Jerry A. Yoshikane
Organization: Individual
Address:
Phone:
E-mail: jyoshikane@netscape.net
Submitted on: 2/25/2011

Comments:
No more tax increases!

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 10:50 PM
fo: FINTestimony
Cc: rybarra@southernwine.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Ricardo R Ybarra
Organization: Individual
Address:
Phone:
E-mail: rybarra@southernwine.com
Submitted on: 2/24/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 10:28 PM
fo: FINTestimony
Cc: kawasakig004@hawaii.rr.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Galen Kawasaki
Organization: Individual
Address:
Phone:
E-mail: kawasakig004@hawaii.rr.com
Submitted on: 2/24/2011

Comments:

Our people cannot afford to lose jobs as a result of the increase tax burden your increased rates will put on businesses. I believe it will negatively impact their revenue and may result in job loss. Whether the number is 1 or 23, that is too many jobs to lose in these economic times.

Please do not raise taxes.

I have family members who work for restaurants, drive for a wholesaler and in the hospitality usiness. I don't want them to move back home with my mother!

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Thursday, February 24, 2011 10:04 PM
ro: FINTestimony
Cc: lkawasak@youngsmarket.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Laurie Kawasaki
Organization: Better Brands
Address:
Phone:
E-mail: lkawasak@youngsmarket.com
Submitted on: 2/24/2011

Comments:

I am opposed to the 50% increase of liquor tax rates. The increase in the cost of liquor will ultimately hurt the consumer and the trickle down effect will impact jobs in the retail, hotel, bars and small mom & pop establishments. This is not the time to impose greater taxes on businesses who are fighting to grow, create jobs and stimulate the economy. Please do not raise the liquor tax.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 24, 2011 8:52 PM
To: FINTestimony
Cc: mauigonzalez808@gmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Lisa Gonzalez
Organization: Individual
Address:
Phone:
E-mail: mauigonzalez808@gmail.com
Submitted on: 2/24/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
sent: Thursday, February 24, 2011 8:54 PM
to: FINTestimony
Cc: mauigonzalez808@gmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Susan Moorcroft
Organization: Individual
Address:
Phone:
E-mail: mauigonzalez808@gmail.com
Submitted on: 2/24/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 24, 2011 7:34 PM
To: FINTestimony
Cc: crown.shots@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Tila Lee
Organization: Individual
Address:
Phone:
E-mail: crown.shots@yahoo.com
Submitted on: 2/24/2011

Comments:
Increasing the tax on liquor will kill my buzz.

FINTestimony

n: mailinglist@capitol.hawaii.gov
sent: Friday, February 25, 2011 8:33 AM
To: FINTestimony
Cc: Jeffrey.Baptiste@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Jeffrey Baptiste
Organization: Individual
Address:
Phone:
E-mail: Jeffrey.Baptiste@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 8:55 AM
To: FINTestimony
Cc: ttatsugawa@youngsmarket.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: TERRY TATSUGAWA
Organization: Individual
Address:
Phone:
E-mail: ttatsugawa@youngsmarket.com
Submitted on: 2/25/2011

Comments:

I feel this bill is going to hurt everyone who live and visit this state. By raising taxes in this down economy is not the way to fuel the coffers. You as elected officials you need to manage our money better. In my household we make our budget work. It seems to me you are always hurting the one industry that we depend on the most which is tourism. We are the highest tax state in the Union for this type of product. I can see more jobs will be lost because sales will slow down. Our visitors from out of state will start bring their own products to last for their length of visit. I strongly ask that you vote no and rethink it out again.

FINTestimony

From: mailinglist@capitol.hawaii.gov
sent: Friday, February 25, 2011 9:19 AM
To: FINTestimony
Cc: Tracy0287@aol.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Tracy Mori
Organization: Individual
Address:
Phone:
E-mail: Tracy0287@aol.com
Submitted on: 2/25/2011

Comments:

Why are alcohol and cigarettes the target of increases in taxes? Let's increase the GE tax and be fair all around and not try and band-aid the situation.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 9:15 AM
To: FINTestimony
Cc: Dmiyashiro@youngsmarket.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Duane MIyashiro
Organization: Individual
Address:
Phone:
E-mail: Dmiyashiro@youngsmarket.com
Submitted on: 2/25/2011

Comments:

My name is Duane Miyashiro and I am the Manager of Better Brands Express Store in Honolulu. Better Brands is a liquor wholesaler authorized to distribute liquor to various licensed retail stores and restaurants in the state of Hawaii. I am testifying in opposition to HB 840, HD1, "Relating to Liquor."

Retailers, restaurant and small business owners continue to struggle from the effects of the recent economic recession. Increasing taxes on liquor will create an additional financial burden on these same entities making it difficult for them to stay in business. This in turn will contribute to an increased number of people unemployed in the state of Hawaii, destroying our tax base and reducing the amount of taxes being collected.

Not only does increased alcohol taxes contribute to job loss, it will unfairly burden and penalize all consumers of alcoholic beverages because of the actions of a relatively small number of drinkers.

I respectfully ask for your consideration in negating this bill. Thank you for the opportunity to testify on this matter.
Sincerely,

Duane Miyashiro

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 9:15 AM
To: FINTestimony
Cc: knarusaki@dkrestaurants.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: DK Kodama
Organization: DK Restaurants
Address:
Phone:
E-mail: knarusaki@dkrestaurants.com
Submitted on: 2/25/2011

Comments:

Dear Representatives,

As a local Restaurateur, I am very concerned about HB840 -which would increase taxes on wine, beer and spirits by 50%.

This is not the time for you to increase taxes of any sort, let alone on one industry. Our industry is still working to recover from the economic challenges we've faced in the past and continue to face and this will make it difficult for us to grow our business, create more jobs and stimulate the economy. I am not only concerned about my industry but the State as a whole. One job lost is one too many.

Hawaii's budget issues need broad - based solutions and taxing one industry is not the answer.

Please do not increase our cost of doing business.

Sincerely,
Dave 'DK' Kodama
Owner/Chef
DK Restaurants

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:00 AM
To: FINTestimony
Cc: bsoriano@hawaii.rr.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Beth Soriano
Organization: Individual
Address:
Phone:
E-mail: bsoriano@hawaii.rr.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:19 AM
To: FINTestimony
Cc: jlenhart@hicoffeeco.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Jim Lenhart
Organization: Individual
Address:
Phone:
E-mail: jlenhart@hicoffeeco.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:20 AM
To: FINTestimony
Cc: angel808888@hotmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Laureen Hughes
Organization: Individual
Address:
Phone:
E-mail: angel808888@hotmail.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:12 AM
To: FINTestimony
Cc: glenn.yoshizawa@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Glenn Yoshizawa
Organization: Paradise Beverages, Inc.
Address:
Phone:
E-mail: glenn.yoshizawa@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:15 AM
To: FINTestimony
Cc: damon.sweazy@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: damon sweazy
Organization: Individual
Address:
Phone:
E-mail: damon.sweazy@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:17 AM
To: FINTestimony
Cc: blaine.tasaka@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Blaine Tasaka
Organization: Individual
Address:
Phone:
E-mail: blaine.tasaka@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:18 AM
To: FINTestimony
Cc: roxanne.cabison@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: ROXANNE CABISON
Organization: Individual
Address:
Phone:
E-mail: roxanne.cabison@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:17 AM
To: FINTestimony
Cc: bulla41@msn.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: William Hughes
Organization: Individual
Address:
Phone:
E-mail: bull41@msn.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
sent: Friday, February 25, 2011 10:08 AM
To: FINTestimony
Cc: wendell.ho@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Wendell Ho
Organization:
Address:
Phone:
E-mail: wendell.ho@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:01 AM
To: FINTestimony
Cc: bree.simmons@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Bree Simmons
Organization: Paradise Beverages, Inc.
Address:
Phone:
E-mail: bree.simmons@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:02 AM
To: FINTestimony
Cc: dale.clark@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Dale Clark
Organization: Paradise Beverages, Inc.
Address:
Phone:
E-mail: dale.clark@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:04 AM
To: FINTestimony
Cc: bill.judd@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Bill Judd
Organization:
Address:
Phone:
E-mail: bill.judd@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 10:06 AM
To: FINTestimony
Cc: berna.callejo@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Bernadette Callejo
Organization: Individual
Address:
Phone:
E-mail: berna.callejo@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:06 AM
To: FINTestimony
Cc: sharina.shimabuku@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Sharina Shimabuku
Organization: Individual
Address:
Phone:
E-mail: sharina.shimabuku@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:07 AM
To: FINTestimony.
Cc: todd.sydell@anheuser-busch.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Todd Sydell
Organization: Individual
Address:
Phone:
E-mail: todd.sydell@anheuser-busch.com
Submitted on: 2/25/2011

Comments:

Please do not approve this Bill. Hawaii Liquor Tax is already the 5th highest in the nation. If this tax passes, it will obviously cause a significant drop in volume & sales and that will directly cost jobs for local people supporting local families. I'm confident a more broad based solution can be found to raise revenue. Please vote NO!

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:07 AM
To: FINTestimony
Cc: jwayman@hicoffeeco.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Jim Wayman
Organization: Individual
Address:
Phone:
E-mail: jwayman@hicoffeeco.com
Submitted on: 2/25/2011

Comments:

Why should one industry be singled out to balance the budget. This bill is discriminatory both to the industry and the consumer. As a health conscious consumer who likes a glass of wine why should I have to pay more to balance the budget. Cut your expenses instead.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:07 AM
To: FINTestimony
Cc: smawae@hicoffeeco.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Shawn Mawae
Organization: Individual
Address:
Phone:
E-mail: smawae@hicoffeeco.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 10:24 AM
To: FINTestimony
Cc: yvette.ikawa@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Yvette K. Ikawa
Organization: Individual
Address:
Phone:
E-mail: yvette.ikawa@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 10:29 AM
To: FINTestimony
Cc: uluakin@gmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Uluakin Nye
Organization: Individual
Address:
Phone:
E-mail: uluakin@gmail.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:29 AM
To: FINTestimony
Cc: jamie.remedios@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Jamie Remedios
Organization: Individual
Address:
Phone:
E-mail: jamie.remedios@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:34 AM
To: FINTestimony
Cc: madelyn.marcos@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: madelyn marcos
Organization: Individual
Address:
Phone:
E-mail: madelyn.marcos@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
sent: Friday, February 25, 2011 10:40 AM
To: FINTestimony
Cc: lota_66@hotmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Leighton T. Ota
Organization: Individual
Address:
Phone:
E-mail: lota_66@hotmail.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 10:50 AM
To: FINTestimony
Cc: marlo.mascoto@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Marlo Mascoto
Organization: Paradise Beverages
Address:
Phone:
E-mail: marlo.mascoto@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 11:01 AM
To: FINTestimony
Cc: tami.hauser@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: tamila hauser
Organization:
Address:
Phone:
E-mail: tami.hauser@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 11:22 AM
fo: FINTestimony
Cc: gbiven@hicoffeeco.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Gloria Biven
Organization: Individual
Address:
Phone:
E-mail: gbiven@hicoffeeco.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 12:49 PM
To: FINTestimony
Cc: steve@konabrewingco.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Steve Cole
Organization: Kona Brewing Co.
Address:
Phone:
E-mail: steve@konabrewingco.com
Submitted on: 2/25/2011

Comments:

- Hawaii's small breweries and brewpubs provide direct jobs to approximately 300 residents. 10 years ago Hawaii boasted a dozen craft breweries. Today there are just six remaining - half of them have had to close their doors due to the high costs associated with brewing in Hawaii. Meanwhile, at the national level, the U.S. boasts the highest number of operating breweries in 100 years. Hawaii should be mirroring that trend.
- The tax provision would give Hawaii's small brewers a break, allowing them to continue to grow. Nationally, the craft beer industry grew 7.2 percent by volume and 10.3% by dollars in 2009. That growth is driven by the market's desire to buy and experience diverse local products.
- More than a dozen states throughout the country offer their own tax provisions to small craft breweries

However, I oppose the 50% tax increase on beer, wine and spirits for the following reasons:

- Beer taxes in Hawaii are among the highest in the nation and far exceed the national average.
- Beer & alcohol excise taxes cost jobs. Any tax hike, regardless of the amount, will hurt consumers and businesses on every island and cost jobs. In this economy, we should be thinking about things that will increase economic prospects. Higher beer and alcohol excise taxes and reduced sales will negatively impact jobs in brewing, wholesaling, grocery and hospitality and have a negative broad ripple effect in other jobs that supply/support these businesses such as shipping, trucking, tourism and other services.
- Beer & alcohol excise taxes are inefficient. History shows that for every dollar raised in new excise taxes the net for the state is actually only about half. Excise taxes are hidden taxes which get marked up several times causing it to be much larger increase to the consumer. Compared to broad based taxes, beer and alcohol excise taxes damage the economy to a greater degree, reducing state revenues from many other sources.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 12:43 PM
ro: FINTestimony
Cc: smats@hawaii.rr.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Steven Matsumoto
Organization: Individual
Address:
Phone:
E-mail: smats@hawaii.rr.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 12:24 PM
To: FINTestimony
Cc: Andrewkaahanui@hotmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Andrew kaahanui
Organization: Individual
Address:
Phone:
E-mail: Andrewkaahanui@hotmail.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 12:34 PM
fo: FINTestimony
Cc: mperry@youngsmarket.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Mark Perry
Organization: Individual
Address:
Phone:
E-mail: mperry@youngsmarket.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 12:10 PM
ro: FINTestimony
Cc: budmanmaui9@hotmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Scott Moore
Organization: Individual
Address:
Phone:
E-mail: budmanmaui9@hotmail.com
Submitted on: 2/25/2011

Comments:

The Hawaii Liquor taxes are already among the five highest in the country. An increase of 50% will put us well above the national average. I feel that this increase will have a negative affect on the entire Hawaiian Service Industry. It is likely that less product will be consumed, the need for manpower will be reduced, jobs will be cut and unemployment will rise.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 12:09 PM
To: FINTestimony
Cc: rtbrew@konabrewingco.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: comments only
Testifier will be present: No
Submitted by: Rich Tucciarone
Organization: Individual
Address:
Phone:
E-mail: rtbrew@konabrewingco.com
Submitted on: 2/25/2011

Comments:

Aloha Committee Members,

I strongly encourage you to consider these comments below as they relate to HB840 as it is currently written. I support some parts of HB840 but oppose other aspects of this bill, details below.

I support Part II, Section 3: Small breweries and brewpubs tax provision for the following reasons:

- Hawaii's small breweries and brewpubs provide direct jobs to approximately 300 residents. 10 years ago Hawaii boasted a dozen craft breweries. Today there are just six remaining - half of them have had to close their doors due to the high costs associated with brewing in Hawaii. Meanwhile, at the national level, the U.S. boasts the highest number of operating breweries in 100 years. Hawaii should be mirroring that trend.
- The tax provision would give Hawaii's small brewers a break, allowing them to continue to grow. Nationally, the craft beer industry grew 7.2 percent by volume and 10.3% by dollars in 2009. That growth is driven by the market's desire to buy and experience diverse local products.
- More than a dozen states throughout the country offer their own tax provisions to small craft breweries.
- A small brewer tax provision would encourage investment into expanding and building breweries here in Hawaii - creating jobs and helping to nurture our local economy.

However, I oppose the 50% tax increase on beer, wine and spirits for the following reasons:

- Beer taxes in Hawaii are among the highest in the nation and far exceed the national average. Beer and alcohol should not be singled to fund programs or fill budget shortfalls. Practical funding solutions should be fair and broad-based.
- Beer & alcohol excise taxes cost jobs. Any tax hike, regardless of the amount, will hurt consumers and businesses on every island and cost jobs. In this economy, we should be thinking about things that will increase economic prospects. Higher beer and alcohol excise taxes and reduced sales will negatively impact jobs in brewing, wholesaling, grocery and hospitality and have a negative broad ripple effect in other jobs that supply/support these businesses such as shipping, trucking, tourism and other services.
- Beer & alcohol taxes impact disposable income. Excise taxes are hidden taxes which get marked up several times causing it to be a much larger increase to the consumer.

- Nationally, beer excise taxes already add up to over \$5 billion. 44% of the price of beer is already taxes of some sort compared to all other consumer products which are less than 32%.

Beer & alcohol excise taxes are inefficient. History shows that for every dollar raised in new excise taxes the net for the state is actually only about half. Excise taxes are hidden taxes which get marked up several times causing it to be much larger increase to the consumer. Compared to broad based taxes, beer and alcohol excise taxes damage the economy to a greater degree, reducing state revenues from many other sources.

- Beer & alcohol excise taxes are regressive. With higher costs on everything from filling the gas tank to paying for groceries, a higher beer tax is just one more burden that consumers with modest incomes can't afford. Beer excise taxes fall most severely on working men and women, an unfair group to single out to pay additional taxes. Lower income households pay, as a percent of their income, several times more than wealthier households.

Thank you for you consideration.

Mahalo,
Rich Tucciarone

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 12:07 PM
To: FINTestimony
Cc: bucko96795@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Chad Peace
Organization: Individual
Address:
Phone:
E-mail: bucko96795@yahoo.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 12:06 PM
To: FINTestimony
Cc: romalynd@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Romalyn DeAguiar
Organization: Individual
Address:
Phone:
E-mail: romalynd@yahoo.com
Submitted on: 2/25/2011

Comments:

Dear Members of the Legislature,

I am writing to you in opposition to bill HB840. The tax increase of 50% would not only hurt jobs but will not offer the yields that the Governor is promising to the general public. Currently the current tax structure is as follows:

Distilled Spirits	5.98 per gallon
Sparkling Wine	2.12 per gallon
Still Wine	1.38 per gallon
Coolers	0.85 per gallon
Beer	0.93 per gallon
Draft Beer	0.54 per gallon

Under the current structure, distilled spirits are significantly higher than beer and wine.

During the height of the recession, we have learned that liquor was not "recession proof" as originally speculated. Some categories yielded less elasticity, categories such as sparkling wines and beer. The recession and pricing analysis have shown that distilled spirits and still wine yield high elasticity. Due to the current elasticity levels of 3.8 on spirits and 3.6 on still wines, the current proposed tax increase of 50% on all categories would not only yield significant lost in revenue for our businesses in Hawaii, but it will prove to be counterproductive in gaining significant increases in tax revenue.

Projected tax revenue to on current alcohol sales are around \$2 million. Under the current tax proposal and with projected increases in shipping prices, liquor sales will fall. The state would only increase total tax revenue by \$900,000. This would yield a total loss of \$26 million dollars in revenue for the businesses in the state. This would ultimately result in lost wages, lost jobs, and closures of small businesses who are already struggling to make a living. This tax proposal would increase unemployment and underemployment all so that the state can collect an extra \$900,000 more in taxes.

Under this current proposal, organizations such as the military would have argument to push for direct shipment of alcohol. With the drawdown in military involvement in the Middle East, the military will look for opportunities to save cost and increase validating current shipping capabilities. This type of direct shipment of goods to the military would have a devastating effect on Hawaii's economy. Currently, the military does about 12% of overall liquor sales in Hawaii. Other national companies would also use the leverage to push for direct shipping. These companies would include Costco and Walmart, which who have already tried to push for direct shipments in other states.

I am asking to reconsider the current proposal and redo the bill to reflect a more structured and well thought out plan to increase tax revenue. Perhaps a structure that would only increase taxes on sparkling wines and beer would be more advantageous for the state. This bill will cost jobs and not prove to be in favor of Hawaii's economy.

Sincerely,

Elisa Smithers

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 1:24 PM
To: FINTestimony
Cc: leonylhyme@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: URSULYN A. QUIJANO
Organization: PARADISE BEVERAGES
Address:
Phone:
E-mail: leonylhyme@yahoo.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 1:08 PM
To: FINTestimony
Cc: lblandin@hotmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: comments only
Testifier will be present: No
Submitted by: Lindsay Landin
Organization: Kona Brewing Co
Address:
Phone:
E-mail: lblandin@hotmail.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 1:09 PM
To: FINTestimony
Cc: eron@konabrewingco.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: comments only
Testifier will be present: No
Submitted by: Eron Read
Organization: KBC
Address:
Phone:
E-mail: eron@konabrewingco.com
Submitted on: 2/25/2011

Comments:

The 50% increase would devastate our hospitality industry and increase job loss by a substantial level. It would massively adversely affect all businesses in Hawaii that sell liquor, beer and wine, which being a tourist location is the majority of our businesses. Mahalo for your consideration

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 1:22 PM
To: FINTestimony
Cc: marlene.williams@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Marlene Williams
Organization: Paradise Beverages Inc
Address:
Phone:
E-mail: marlene.williams@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Content: Friday, February 25, 2011 1:45 PM
FINTestimony
Cc: blima@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Biggs Lima
Organization: Individual
Address:
Phone:
E-mail: blima@yahoo.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 2:21 PM
fo: FINTestimony
Cc: rebecca@konabrewingco.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: comments only
Testifier will be present: No
Submitted by: Rebecca Villegas
Organization: Kona Brewing Company
Address:
Phone:
E-mail: rebecca@konabrewingco.com
Submitted on: 2/25/2011

Comments:

Aloha,
I humbly request that this Bill be ammended. I do not agree with the 50% tax increase included in the Bill. However, I do agree with the tax break provided to Hawaii's small brewers.

Mahalo,
Rebecca Villegas

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 2:33 PM
To: FINTestimony
Cc: kalapatao@gmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Preston Patao
Organization: Individual
Address:
Phone:
E-mail: kalapatao@gmail.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 1:55 PM
fo: FINTestimony
Cc: shogunbigdad@msn.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Mark Matsuda
Organization: Individual
Address:
Phone:
E-mail: shogunbigdad@msn.com
Submitted on: 2/25/2011

Comments:

All liquor, wine, and beer wholesalers will raise the cost to the retailer by at least 70-80%. The retailer in turn will raise the price to the consumer too. This will result in an overall sales decline in an already declining industry. This will also mean that wholesalers will cut jobs and service to all of their retail customers in order to maintain profit margins. This will mean less shipments into the state via Matson and or Horizen Lines which will later result in a price increase for all containers to make up the loss of business.

With the loss of shipments, fuel bunker charges will go up by the shipping companies due to increased fuel costs, wholesalers will also cutback delivery service due to the high cost of fuel, which in turn will mean job losses at all levels of the industry.

The overall trickle down effect of this tax increase will far out weigh the supposed benefits when sales go down, less revenue means less GET at all levels and less liquor tax collections.

Hawaii already leads in being the highest taxed state in the nation re: alcoholic beverages, cigarettes, gas and diesel, vehicle registration, unemployment insurance etc.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 2:08 PM
To: FINTestimony
Cc: d1g4b3@hotmail.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Christina Mancia
Organization: Individual
Address:
Phone:
E-mail: d1g4b3@hotmail.com
Submitted on: 2/25/2011

Comments:

I don't understand why the the tax on liquor should be raised to cover the states budget crisis. What the state should be doing in catching up to individuals abusing the welfare systems, the ones that feel comfortable relying on HARDWORKING individuals to pay for their living expenses!!!

HB 840

Dear Sirs,

My name is Calvin Tamagawa, and I reside on the island of Kauai. I am employed by the beer industry and have followed this bill very closely. After doing research, I have found out the Hawaii is currently paying one of the highest beer tax in the nation. Now we want to raise it another 50% to lead the nation in this type of tax. Increasing this tax would be a short term solution. It also seems that tax increases target a select group (property, tobacco, liquor, and hotel) to balance the state budget deficit. We must look for a broader solution (raising excise tax?) that would have everyone how live and visits Hawaii pay their share and not resolve to a select few. Raising this tax would have a domino effect and the reality of this increase would result in jobs lost in both the wholesale and retail markets. I want to thank you for your time and consideration on this matter.

Sincerely

Calvin Tamagawa

PO Box 1527

Koloa, HI 96756

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 2:53 PM
To: FINTestimony
Cc: peggy.abella@anheuser-busch.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Peggy Abella
Organization: Individual
Address:
Phone:
E-mail: peggy.abella@anheuser-busch.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 3:01 PM
To: FINTestimony
Cc: malia.rosado-kim@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: MALIA ROSADO-KIM
Organization: Individual
Address:
Phone:
E-mail: malia.rosado-kim@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 3:02 PM
To: FINTestimony
Cc: localwahine_545@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Emma Delarosa
Organization: Individual
Address:
Phone:
E-mail: localwahine_545@yahoo.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 3:06 PM
To: FINTestimony
Cc: nuttieus@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Nadia
Organization: Individual
Address:
Phone:
E-mail: nuttieus@yahoo.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 3:07 PM
fo: FINTestimony
Cc: Faidawson@yahoo.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Dondi Dawson
Organization:
Address:
Phone:
E-mail: Faidawson@yahoo.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 4:23 PM
To: FINTestimony
Cc: justin.phillip@anheuser-busch.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Justin C.K. Phillip

Organization: Individual

Address:

Phone:

E-mail: justin.phillip@anheuser-busch.com Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 3:43 PM
To: FINTestimony
Cc: aukuso.tuiolemotu@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Aukuso Tuiolemotu
Organization: Paradise Beverages
Address:
Phone:
E-mail: aukuso.tuiolemotu@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 4:31 PM
To: FINTestimony
Cc: aleina.butac@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: ALEINA BUTAC
Organization: Paradise Beverages Inc
Address:
Phone:
E-mail: aleina.butac@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 4:31 PM
To: FINTestimony
Cc: rowena.barit@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: ROWENA BARIT
Organization: paradise beverages
Address:
Phone:
E-mail: rowena.barit@parbev.com
Submitted on: 2/25/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 25, 2011 4:45 PM
ro: FINTestimony
Cc: eva.woo@parbev.com
Subject: Testimony for HB840 on 2/25/2011 6:00:00 PM

Testimony for FIN 2/25/2011 6:00:00 PM HB840

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: eva woo
Organization:
Address:
Phone:
E-mail: eva.woo@parbev.com
Submitted on: 2/25/2011

Comments: