

**SB1307**

**LATE**

**TESTIMONY**



COALITION FOR A  
TOBACCO-FREE HAWAII

To: The Honorable Josh Green, M.D., Chair, Committee on Health  
The Honorable Rosalyn Baker, Vice Chair, Committee on Health  
Members, Senate Committee on Health  
From: Jessica Yamauchi, Executive Director  
Date: February 5, 2013  
Hrg: Senate Committee on Health; Wed., February 6, 2013 at 2:15 p.m. in Rm 229  
Re: **Support to SB 1307, Relating to Health**

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Thank you for the opportunity to testify in support of SB 1307 which raises the taxes on other tobacco products to achieve parity between cigarette taxes and other tobacco products (OTPs). We would like to offer recommendations to add clarity in the proposed tax structure and achieve true tax parity between cigarettes and other tobacco products.

The Coalition for a Tobacco Free Hawaii (Coalition) is an independent organization in Hawaii working to reduce tobacco use through education, policy and advocacy. Our organization is a small nonprofit organization of over 100 member organizations and 2,000 advocates that works to create a healthy Hawaii through comprehensive tobacco prevention and control efforts.

**Health is Promoted By Increasing the Tax on Tobacco Products Other Than Cigarettes**

Currently OTPs are taxed lower than cigarettes. By increasing the cost of each tobacco product sold and making it comparable to cigarettes, tobacco use by adults and young people will decrease. This will result in a decline in the serious health conditions that arise from use of smokeless tobacco including cancer of the esophagus pharynx, larynx, stomach, and pancreas, gum disease, and the risk of cardiovascular disease, and a decrease in the diseases caused by smoking roll-your-own tobacco.

Adolescents and young adults are two to three times more sensitive to tobacco price changes than adults—when price increases, less youth will begin to start using smokeless tobacco and other tobacco products and more will reduce their consumption. Hawaii has seen youth use of smokeless tobacco fluctuate despite our decreasing smoking rates.

**Recommended Language to Achieve Parity in Taxes on Cigarettes & Other Tobacco Products**

The current language in the bill does not indicate what percentage the wholesale price will be set at. The Coalition has consulted with Campaign for Tobacco-Free (TFK) kids to determine



language that would achieve tax parity between cigarettes and other tobacco products. The TFK recommends that the excise tax equal to 102 percent of the wholesale price of each article or item of tobacco products be set.

TFK also recommends establishing a minimum based tax price to capture other emerging tobacco products which are very light and range in manufacture and design - from spitless pouches, to sticks or pellets of tobacco. The Coalition supports efforts to set a minimum tax on other tobacco products that is comparable to the tax on cigarettes. By setting a minimum tax per article, the amount consumers have to pay for other tobacco products is comparable to cigarettes, regardless of the cost of the item or weight itself; such discourages new tobacco users from purchasing. Setting a minimum tax per article works more effectively than weight-based taxes, which the tobacco industry can work around by adjusting the weight of its products. We urge you to create a minimum tax per article that is comparable to cigarettes. The Coalition has shared the language recommendation by TFK with the Department of Taxation and defers to the Department of Taxation on the matters of taxing formula.

**A Portion of the Revenues Must Be Earmarked for Tobacco Prevention and Treatment**

Hawaii residents overwhelmingly agree (89 percent in our last poll) that it's important for the state to earmark some of the revenue to fund tobacco prevention and quit smoking programs. When the price of tobacco increases, more seek help to quit. It's necessary we have community resources including the Quitline, the American Lung Association, and services at community health centers to help tobacco users address their nicotine addiction. We ask that you earmark a portion of these new funds to tobacco prevention and tobacco dependence treatment services.

The Coalition requests your consideration of the recommended changes and your support of creating parity between other tobacco products and cigarettes. Thank you for the opportunity to provide comments in support of this measure.

Thank you for the opportunity to testify on this matter.

A handwritten signature in black ink that reads "Jessica Yamauchi". The signature is written in a cursive, flowing style.

Jessica Yamauchi, M.A.  
Executive Director

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [HTHTestimony](#)  
**Cc:** [jtenn10@aol.com](mailto:jtenn10@aol.com)  
**Subject:** Submitted testimony for SB1307 on Feb 6, 2013 14:15PM  
**Date:** Wednesday, February 06, 2013 10:06:59 AM

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SB1307

Submitted on: 2/6/2013

Testimony for HTH on Feb 6, 2013 14:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Jolyn Tenn	Individual	Oppose	No

Comments: Strong opposition! It's time you "took someone else to the dance". The states greed resembles a drunken sailor on shore leaves amorous attentions, but then again, that would be an insult to Drunken Sailors. You have over taxed a product, forcing people to adopt other behaviors and now your coffers are running dry. Try taking the tax rate back down, and you will see a vast improvement in revenue, and after all it's all about the money, right?

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**Subject:** \*Submitted testimony for SB1307 on Feb 6, 2013 14:15PM\*  
**Date:** Tuesday, February 05, 2013 9:58:30 PM

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**SB1307**

Submitted on: 2/5/2013

Testimony for HTH on Feb 6, 2013 14:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Liane Lee	S-Top Mart	Oppose	No

**Comments:**

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**Date:** Wednesday, February 06, 2013 9:17:10 AM

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SB1307

Submitted on: 2/6/2013

Testimony for HTH on Feb 6, 2013 14:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Michael S. Nakasone	Individual	Oppose	No

Comments: Why don't you get the funds from the 1%ers?

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**Subject:** \*Submitted testimony for SB1307 on Feb 6, 2013 14:15PM\*  
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SB1307

Submitted on: 2/5/2013

Testimony for HTH on Feb 6, 2013 14:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
William Pan	Adam's Enterprise	Oppose	No

Comments:

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