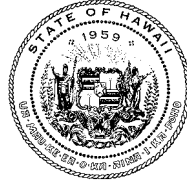


NEIL ABERCROMBIE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1530
FAX NO: (808) 587-1584

FREDERICK D. PABLO
DIRECTOR OF TAXATION

JOSHUA WISCH
DEPUTY DIRECTOR

To: The Honorable Della Au Belatti, Chair
and Members of the House Committee on Health

The Honorable Isaac W. Choy, Chair
and Members of the House Committee on Higher Education

Date: Wednesday, March 20, 2013
Time: 9:00 a.m.
Place: Conference Room 329, State Capitol

From: Frederick D. Pablo, Director
Department of Taxation

Re: S.B. No. 492, S.D. 2 Relating to Tobacco Products

The Department of Taxation (Department) **appreciates the intent** of S.B. 492, S.D. 2 and offers for the following information and comments for your consideration. The Department defers to the Department of Health on the merits of the bill's effect on health.

S.B. 492, S.D. 2 changes the current tax rate on tobacco products other than cigarettes, little cigars and large cigars from 70% of the wholesale price to an unspecified percentage of the wholesale price. This measure also remits the entirety of the taxes collected on such tobacco products to the Hawaii Cancer Research Special Fund.

Due to the required changes to the form, the Department respectfully requests that the effective date be no earlier than January 1, 2014.

The tax rate being amended in this measure is unspecified. Assuming, however, the rate were 102% as set forth in S.D. 1 and the bill became effective January 1, 2014, the Department estimates this measure would result in a decrease to the general fund of \$5.9 million per year. There would be an estimated gain of \$7.8 million per year to the Hawaii Cancer Research Special Fund.

Thank you for the opportunity to provide comments.

morikawa2 - Shaun

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 19, 2013 8:00 PM
To: HLTtestimony
Cc: mz9995@hotmail.com
Subject: Submitted testimony for SB492 on Mar 20, 2013 09:00AM

SB492

Submitted on: 3/19/2013

Testimony for HLT/HED on Mar 20, 2013 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Zehner	Hawaii Smokers Alliance	Oppose	Yes

Comments: This bill is regressive taxation and an insult to constituents. A few professional anti-smoking lobbyists making their money against the consent of the people they are taking it from are far outweighed by the 200,000 constituents in Hawaii that enjoy tobacco.

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American Cancer Society
Cancer Action Network
2370 Nu`uanu Avenue
Honolulu, Hawai`i 96817
808.432.9149
www.acscan.org

House Committee on Health
Representative Della Au Belatti, Chair
Representative Dee Morikawa, Vice Chair

House Committee on Higher Education
Representative Isaac Choy, Chair
Representative Linda Ichiyama, Vice Chair

Hearing: March 20, 2013; 9:00 a.m.

SB 492, SD 2 – RELATING TO TOBACCO PRODUCTS
Cory Chun, Government Relations Director – Hawaii Pacific
American Cancer Society Cancer Action Network

Thank you for the opportunity to provide written comments in support of SB 492, SD 2, which increases the excise tax on other tobacco products beginning January 1, 2014.

The American Cancer Society Cancer Action Network (ACS CAN), the advocacy affiliate of the American Cancer Society, is the nation's leading cancer advocacy organization. ACS CAN works with federal, state, and local government bodies to support evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem.

Other tobacco products, including smokeless tobacco products such as snus and dissolvable strips, orbs, and sticks, are part of a new series of emerging tobacco products currently being promoted by the tobacco industry as less harmful, more convenient, and more socially acceptable alternatives to traditional cigarettes. However, there is no scientific evidence that smokeless tobacco products are safe and the use of smokeless tobacco products is not considered a safe substitute for, or an effective means of, quitting tobacco use altogether.

The purpose of this measure is to ensure tax parity between cigarettes and other tobacco products. ACS CAN supports eliminating price discrepancies between cigarettes and other tobacco products (OTPs) by increasing the tax on a package of OTPs to an equivalent percentage of the manufacturer's price as the tax on cigarettes.

ACS CAN would like to note that the Senate Committee on Health increased the wholesale price on other tobacco products to 102% of the wholesale price, which is the recommended level in order to ensure parity with the current tax on cigarettes. For these reasons, we urge the committee to move this measure forward.

Thank you for the opportunity to provide testimony on this important issue.

morikawa2 - Shaun

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 19, 2013 8:36 PM
To: HLTtestimony
Cc: anthony_Orozco@yahoo.com
Subject: *Submitted testimony for SB492 on Mar 20, 2013 09:00AM*

SB492

Submitted on: 3/19/2013

Testimony for HLT/HED on Mar 20, 2013 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Anthony Orozco	Individual	Oppose	No

Comments:

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Sent: Tuesday, March 19, 2013 9:02 PM
To: HLTtestimony
Cc: chevyriderhhh@gmail.com
Subject: Submitted testimony for SB492 on Mar 20, 2013 09:00AM

SB492

Submitted on: 3/19/2013

Testimony for HLT/HED on Mar 20, 2013 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Wells	Individual	Oppose	No

Comments: Can you make people happy by not hiking taxes?

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Sent: Tuesday, March 19, 2013 7:28 PM
To: HLTtestimony
Cc: jjw333333@gmail.com
Subject: *Submitted testimony for SB492 on Mar 20, 2013 09:00AM*

SB492

Submitted on: 3/19/2013

Testimony for HLT/HED on Mar 20, 2013 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Jake J. Watkins	Individual	Oppose	No

Comments:

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Sent: Tuesday, March 19, 2013 4:10 PM
To: HLTtestimony
Cc: jason.park1@aol.com
Subject: *Submitted testimony for SB492 on Mar 20, 2013 09:00AM*

SB492

Submitted on: 3/19/2013

Testimony for HLT/HED on Mar 20, 2013 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Jason Park	Individual	Oppose	No

Comments:

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To: HLTtestimony
Cc: kathyk323@hotmail.com
Subject: *Submitted testimony for SB492 on Mar 20, 2013 09:00AM*

SB492

Submitted on: 3/19/2013

Testimony for HLT/HED on Mar 20, 2013 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Kathy Kim	Individual	Oppose	No

Comments:

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Sent: Tuesday, March 19, 2013 9:30 PM
To: HLTtestimony
Cc: takatsukl001@hawaii.rr.com
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SB492

Submitted on: 3/19/2013

Testimony for HLT/HED on Mar 20, 2013 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Lester Takatsuka	Individual	Oppose	No

Comments: Why are smokers being singled out for all these taxes? I could understand if all vices were being treated the same. What about alcohol, it causes more PROVEN deaths. It causes as many if not more health problems. I feel this is unfair and we smokers are being discriminated against. Cars, motorcycles, mopeds and their pollution should be taxed if for the same reasons as smoking for air quality concerns. Does anyone believe that tobacco smoke exposure alone would cause another person any and all health problems? That daily exposure to all other pollutants in the environment have less effect? Please stop trying to pin all the world's ills on tobacco smoke and get real. Don't discriminate on smokers who pay taxes and vote too.

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To: HLTtestimony
Cc: letsrollhawaiiwokea@gmail.com
Subject: Submitted testimony for SB492 on Mar 20, 2013 09:00AM

SB492

Submitted on: 3/19/2013

Testimony for HLT/HED on Mar 20, 2013 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Lori Campbell	ley's roll hawaii wokea	Oppose	No

Comments: I oppose the bill. What we are trying to do as individuals and a business is to offer others a responsible process which includes a natural / chemical-free alternative. We will be driven out of business with the kind of drastic, unreasonable, and unfair tax burden being proposed. We and our customers are not breaking any laws and are not opposed to paying a fair share. Please reasonable.

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Sent: Tuesday, March 19, 2013 7:51 PM
To: HLTtestimony
Cc: mikenakas@hotmail.com
Subject: Submitted testimony for SB492 on Mar 20, 2013 09:00AM

SB492

Submitted on: 3/19/2013

Testimony for HLT/HED on Mar 20, 2013 09:00AM in Conference Room 329

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

Comments: I'll remember how you vote when I vote. Oppose sb492.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 19, 2013 3:04 PM
To: HLTtestimony
Cc: wintersnicholas@rocketmail.com
Subject: *Submitted testimony for SB492 on Mar 20, 2013 09:00AM*

SB492

Submitted on: 3/19/2013

Testimony for HLT/HED on Mar 20, 2013 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Nicholas Winters	Individual	Oppose	No

Comments:

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Sent: Tuesday, March 19, 2013 4:37 PM
To: HLTtestimony
Cc: surfmaster008@gmail.com
Subject: *Submitted testimony for SB492 on Mar 20, 2013 09:00AM*

SB492

Submitted on: 3/19/2013

Testimony for HLT/HED on Mar 20, 2013 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Sean Higa	Individual	Oppose	No

Comments:

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Sent: Tuesday, March 19, 2013 4:12 PM
To: HLTtestimony
Cc: susanlarson78@gmx.com
Subject: Submitted testimony for SB492 on Mar 20, 2013 09:00AM

SB492

Submitted on: 3/19/2013

Testimony for HLT/HED on Mar 20, 2013 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Larson	Individual	Oppose	No

Comments: I work hard for my money, stop taxing it so much.

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