

Honolulu, Hawaii

MAR 21 2014

RE: H.B. No. 1849
H.D. 1
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Health, to which was referred H.B. No. 1849, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to reduce the excise tax rate on large cigars from fifty percent of the wholesale price to the lesser of:

- (1) 50 cents for each large cigar; or
- (2) Fifty percent of the wholesale price of each large cigar.

Your Committee received testimony in support of this measure from the Hawaii Cigar Association; Cigar Association of America, Inc.; Hawaii Food Industry Association; and several individuals. Your Committee received testimony in opposition to this measure from the American Cancer Society Cancer Action Network; American Lung Association; Hawaii COPD Coalition; American Heart Association; Coalition for a Tobacco-Free Hawaii; and several individuals. Your Committee received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and several individuals.



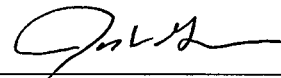
Your Committee finds that it is important to create fair tax revenue standards for Hawaii's businesses, which include cigar wholesalers and dealers.

Your Committee has amended this measure by:

- (1) Inserting blank amounts for the excise tax on large cigars;
- (2) Inserting a definition of "premium cigar" into section 328J-1, Hawaii Revised Statutes;
- (3) Exempting the sale of premium cigars from the direct, face-to-face restriction in section 328J-18, Hawaii Revised Statutes; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1849, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1849, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

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




JOSH GREEN, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1849 HD1	HTH, WAM	3-19-14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GREEN, M.D., Josh (C)	✓			
BAKER, Rosalyn H. (VC)			✓	
CHUN OAKLAND, Suzanne		✓		
NISHIHARA, Clarence K.				✓
SLOM, Sam				✓
TOTAL	1	1	1	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes