

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in OPPOSITION to S.B. 871
RELATING TO TAXATION**

SENATOR JILL N. TOKUDA, CHAIR
SENATOR DONOVAN M. DELA CRUZ, VICE CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: February 7, 2017 Room Number: 211

1 **Fiscal Implications:** None

2 **Department Testimony:** The Department of Health (DOH) opposes S. B. 871, which proposes
3 to amend §245-3, HRS by reducing the excise tax rate on sales of large cigars from 50 percent of
4 wholesale value to the lesser of: a) \$0.50 for each large cigar; or b) 50 percent of the wholesale
5 price of each large cigar after July 1, 2017.

6 There is neither a public health nor fiscal justification for giving cigars of any size
7 preferential tax treatment. Cigar smoking is not a safe alternative to cigarette smoking. The
8 United States (US) Surgeon General has declared that cigar smoke contains the same toxic
9 substances as cigarette smoke, with varying concentrations of these ingredients found in different
10 types and sizes of cigars.¹ The Federal Food and Drug Administration (FDA) states “all cigars
11 are harmful and potentially addictive (including small cigars, cigarillos, large cigars, and
12 premium cigars). Cigar smoking is strongly related to certain cancers (including oral,
13 esophageal, laryngeal, and lung cancers), heart disease, and premature death. Cigar smoking can
14 cause cancers of the mouth and throat, even for smokers who do not inhale.”² A large cigar may
15 contain as much tobacco as a whole pack of cigarettes.³

16 Low cigar prices may also increase the number of youth and young adults who try cigars
17 and become addicted, as well as reducing the number of adult smokers who quit. A study
18 presented at the Society for Research on Nicotine and Tobacco provided preliminary evidence

1 that premium cigar use is increasingly being reported by young adults (18-29 years), and that
2 such use is not restricted to older adults.⁴

3 There are no safe tobacco products, and there is no safe level of exposure to tobacco
4 smoke. Smoking and tobacco use are the leading cause of preventable death and disease in
5 Hawaii, claiming 1,400 lives each year, and exacting an excess of \$526 million in annual
6 medical costs directly attributable to smoking, according to the Centers for Disease Control and
7 Prevention (CDC) 2014 report “Best Practices for Comprehensive Tobacco Control Programs.”

8 Until recently, cigars had fewer federal regulations than cigarettes and other tobacco
9 products. This, along with their lower taxes, has resulted in increased popularity. While
10 cigarette smoking is declining across the nation, total consumption of large cigars increased
11 dramatically between 2000 and 2015. Cigar consumption increased by 100% while cigarette
12 consumption declined by 40%.² In Hawaii, current adult cigar use tripled from 3.2% in 2006 to
13 10.8% in 2010.⁵

14 CDC research has shown that increasing the unit price of all tobacco products is an
15 effective strategy for curbing adult and youth smoking. Conversely, lowering the price of
16 tobacco products may increase smoking rates and discourage individuals from quitting. A cap
17 on the state large cigar tax could also be considered favoring those smokers who buy and smoke
18 the more expensive brands.

19 Thank you for this opportunity to testify.

20 **Offered Amendments:** None

¹ U.S. Department of Health and Human Services. *The Health Consequences of Smoking-50 Years of Progress. A Report of the Surgeon General.* Atlanta GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2014, p.428

² National Cancer Institute (NCI), *Cigars: Health Effects and Trends, Smoking and Tobacco Control Monograph 9*, 1998
<http://cancercontrol.cancer.gov/tcrb/monographs/9/index.html>

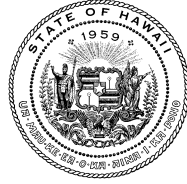
³ Baker, F., S. Ainsworth, J.T. Dye, et al., “Health Risks Associated with Cigar Smoking”, *Journal of the American Medical Association*, 284(6):735-740, 2000.

⁴ Coleman B.N., C.G. Corey, C.D. Delnevo, et al. “Use of Flavored Cigars, Cigarillos, and Little Filtered Cigars: Findings from the 2012-13 National Adult Tobacco Survey,” presented at the Conference for the Society for Research on Nicotine and Tobacco (2014).

⁵ Hawaii State Department of Health, *Hawaii Adult Tobacco Survey (2006 and 2009)*

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

To: The Honorable Jill N. Tokuda, Chair
and Members of the Senate Committee on Ways and Means

Date: Tuesday, February 7, 2017
Time: 9:30 A.M.
Place: Conference Room 211, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: S.B. 871, Relating to Taxation

The Department of Taxation (Department) offers the following comments on S.B. 871 for your consideration.

S.B. 871 amends the tax on large cigars by replacing the current rate of 50% of the wholesale price with a rate of the lesser of either 50 cents per cigar or 50% of the wholesale price. SB. 871 is effective on large cigars sold on or after July 1, 2017.

The Department defers to the Department of Health with respect to the effect this measure would have on the health of the State of Hawaii.

If the Committee wishes to advance this measure, the Department requests that the applicable sales and effective dates be changed to January 1, 2018 respectively to allow for the necessary form and instruction changes.

Thank you for the opportunity to provide comments.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, Lower tax rate on large cigars

BILL NUMBER: HB 1332; SB 871 (Identical)

INTRODUCED BY: HB by NAKAMURA, Morikawa; SB by Kouchi by request

EXECUTIVE SUMMARY: Reduces the tax on large cigars to the lesser of: (1) 50 cents per cigar; or (2) 50% of its wholesale price on and after July 1, 2017.

BRIEF SUMMARY: Amends HRS section 245-3 to provide that large cigars shall be taxed at the lesser of: (1) 50 cents per cigar; or (2) 50% of its wholesale price on and after July 1, 2016.

EFFECTIVE DATE: July 1, 2017.

STAFF COMMENTS: Presently, the tobacco tax on large cigars is 50% of the wholesale price. This measure would reduce it to either 50 cents each, or 50% of the wholesale price, whichever is less, on and after July 1, 2017.

The adoption of this measure would, in theory, lower the price of large cigars, but it is questionable why the legislature would want to single out costly large cigars for a tax break.

In addition, because the tobacco tax now feeds several special funds, the recipients of largesse from those special funds, such as the University of Hawaii Cancer Center and the John A. Burns School of Medicine, would have a vested interest in any proposal to reduce this tax.

Also see HB 769, which has substantially similar language.

Digested 2/2/2017



Date: February 6, 2017

To: The Honorable Jill N. Tokuda, Chair
The Honorable Donovan M. Dela Cruz, Vice Chair
Members of the Seante Committee on Ways and Means

From: Jessica Yamauchi, Executive Director, Hawai'i Public Health Institute

Re: **Strong Opposition for SB 871, Relating to Taxation**

Hrg: February 7, 2017 at 9:30 am at Conference Room 211

Thank you for the opportunity to submit testimony in **STRONG OPPOSITION** of SB 871 which would lower the tax on large cigars to the lesser of a) 50 cents each or b) 50 percent of the wholesale price for each cigar.

The Coalition for a Tobacco-Free Hawai'i (Coalition) is a program of the Hawai'i Public Health Institute (HIPHI) that is dedicated to reducing tobacco use through education, policy, and advocacy. With nearly two decades of history in Hawai'i, the Coalition has led several campaigns on enacting smoke-free environments, including being the first state in the nation to prohibit the sale of tobacco and electronic smoking devices to purchasers under 21 years of age.

Cigar smoking harms health. According to the National Cancer Institute and the U.S. Surgeon General, cigar smoking causes oral cavity cancers (cancers of the lip, tongue, mouth and throat) and cancers of the larynx, esophagus and lung, heart disease and chronic obstructive pulmonary disease (COPD). Cigar smoke contains the same toxins as cigarette smoke, and many new cigar products are more easily smoked and inhaled just like cigarettes.

Changing the tax rate promotes regulatory and tax loopholes. The Coalition has been fighting this legislation for the last 4 years. Large cigars are already taxed 20% less than other tobacco productsⁱ. Tobacco companies are notorious for taking advantage of loopholes to qualify for lower rate by modifying their cigars, even increasing cigar weight by adding material used in kitty litterⁱⁱ. Lowering the tax on large cigars compared to cigarettes and small cigars will make these products more affordable to price-sensitive youth and encourages those smoking cigarettes to switch to cigars, rather than quit.



Large cigar sales have INCREASED while State health costs continue to RISE. Between Fiscal Year 2015 and 2016, cigar sales in Hawai'i increased by 3.9%ⁱⁱⁱ. Tobacco use remains the leading cause of preventable death and disease in Hawai'i, claiming 1,400 lives each year and costing the State \$526 million in healthcare costs directly attributed to smoking^{iv}. Cigars today are no longer just smoked by older men. Instead, the cigar market consists of products that vary widely in sizes, shapes, flavors and prices, making them appealing to a broader audience, including kids. Lowering the tax will make it even more appealing for teens to start smoking.

The public supports taxing large cigars. An independent poll conducted by Ward Research Inc. for the Coalition in November 2016 finds that 77% or nearly 8 out of 10 registered Hawai'i voters support taxing other tobacco products such as smokeless tobacco and cigars at the same rate as cigarettes as part of efforts to reduce tobacco use^v.

Cigars appeal to kids. High school students and young adults smoke cigars at twice the rates of all adults. Young people model adult behaviors and more kids are learning to smoke cigars. According to the national 2011 Youth Risk Behavior Survey^{vi}, young adults (ages 18-24) have the highest cigar smoking rate at 15.9 percent compared to 6.6 percent of all adults that smoked cigars in the past month. In addition, cigars are less regulated than cigarettes and are able to use kid-friendly flavors that attract youth to their product.

Lowering or capping taxes on any tobacco product sends the wrong public health message. Hawai'i is already considered a vanguard state in the nation, with our current smoke-free and tobacco control laws protecting our residents and children. Hawai'i has been leading the way in tobacco control, and this bill is a step backwards for our State. Hawaii's progress against tobacco must continue.

The Coalition strongly opposes SB 871 and respectfully ask the members to hold this bill in committee.

Mahalo,

A handwritten signature in black ink that reads 'Jessica Yamauchi'.

Jessica Yamauchi
Executive Director



ⁱ Tobacco Tax (Chapter 245-3) - \$0.16 per cigarette and little cigars, 50% of wholesale price for large cigars, and 70% of wholesale price for all other tobacco products. http://www.capitol.hawaii.gov/hrscurrent/Vol04_Ch0201-0257/HRS0245/HRS_0245-0003.htm

ⁱⁱ Bloomberg News. "Tobacco Firms Save \$1Billion With Kitty Litter in Cigars," 28 Feb 2013.

<http://www.bloomberg.com/news/articles/2013-03-01/tobacco-firms-save-1-billion-with-kitty-litter-in-cigars>

ⁱⁱⁱ State of Hawai'i, Department of Taxation. "Tobacco Tax Collections and Licenses – Year Ending June 30, 2016."

<http://files.hawaii.gov/tax/stats/monthly/2016fy7.pdf>

^{iv} Campaign for Tobacco-Free Kids. "The Toll of Tobacco in Hawai'i," 25 Sept 2015.

http://www.tobaccofreekids.org/facts_issues/toll_us/hawaii

^v This study by War Research, Inc. summarizes findings from a phone survey among n=806 Hawaii registered voters, conducted between October 17 and November 8, 2015.

^{vi} Campaign for Tobacco-Free Kids. "Not Your Grandfather's Cigar," 13 Mar 2013.

https://www.tobaccofreekids.org/content/what_we_do/industry_watch/cigar_report/2013CigarReport_Full.pdf



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

Senate Committee on Ways and Means
Senator Jill Tokuda, Chair
Senator Donovan Dela Cruz, Vice Chair

SB 871 – RELATING TO TAXATION

Cory Chun, Government Relations Director – Hawaii Pacific
American Cancer Society Cancer Action Network

Thank you for the opportunity to provide testimony in *opposition* of SB 871, which changes the excise tax rate on large cigars by setting the maximum tax at \$.50 per large cigar.

The American Cancer Society Cancer Action Network (ACS CAN) 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.

Cigar use has substantial health risks.

Many people view cigar smoking as more sophisticated and less dangerous than cigarette smoking. Yet one large cigar can contain as much tobacco as an entire pack of cigarettes. Cigars are tobacco, and they are dangerous to your health.

Cigars contain nicotine, the substance in tobacco that addicts people. Cigar smokers who inhale absorb nicotine through the lungs as quickly as cigarette smokers. For those who don't inhale, the nicotine absorbs more slowly through the lining of the mouth. Cigar smoke dissolves more easily in saliva than cigarette smoke. This means cigar smokers can get the desired dose of nicotine without inhaling the smoke into their lungs. People who use oral or spit tobacco products absorb nicotine the same way. Nicotine in any form is highly addictive.

Cigars are not a safer alternative to cigarettes.

Cigars contain the same cancer-causing substances as cigarettes and other tobacco products. Cigar smoking increases the risk of cancers of the lung, mouth, larynx, esophagus, and likely pancreas and bladder (if inhaled). Cigar smokers are four to ten times more likely to die from laryngeal, oral, or esophageal cancers than nonsmokers.

Even cigar smokers who don't inhale are still breathing in large amounts of smoke that come from the lit end of the cigar and face an increased risk of lung cancer.

Even though people smoke cigars for different reasons, the fact is, like cigarettes, cigars deliver nicotine. Most full size cigars have as much nicotine as several cigarettes. Cigarettes contain an average of about 8 milligrams (mg) of nicotine. Many popular brands of larger cigars contain between 100 and 200 mg, or even as many as 444 mg of nicotine.

Like all other tobacco products, cigars should be subject to taxation to reduce the deadly and costly burden of tobacco use.

What this measure attempts to do is treat large cigars differently than other tobacco products by capping the tax to \$.50. Large cigars may contain more than a half an ounce of tobacco. This is as much tobacco as a whole pack of cigarettes. This measure essentially makes the purchase of tobacco cheaper for a cigar than a cigarette. We shouldn't be favoring one tobacco product over another and creating an unjustified economic advantage for a known cause of cancer. For these reasons, ACS CAN is in opposition to this measure and urges the committee to consider the negative health effects that come from making a tobacco product more affordable for people, especially our youth and young adults.

All tobacco products present the health same dangers and should be treated the same for taxation purposes. We feel creating significant advantages for large cigars for economic purposes should never have a higher priority than public health. Thank you for the opportunity to provide testimony on this matter.

hawaiiCigar

ASSOCIATION

To: The Honorable Jill N. Tokuda, Chair
and Members of the Senate Committee on Ways and Means

Date: Tuesday, February 7, 2017
Time: 9:30 a.m.
Place: Conference Room 211, State Capitol

From: Les Drent
for the Hawaii Cigar Association

Re: SB871, Relating to Taxation

Dear Senator Tokuda and Members of the Senate Committee On Ways and Means,

The Hawaii Cigar Association (HCA) supports the findings of the Legislature, and we also support SB871, a bill that places a tax cap of 50¢ on large cigars.

The HCA contends that large cigars are rarely--if ever--possessed or consumed by minors and therefore pose negligible risk to them. Children are not attracted to cigars, and their cost--between \$5 and \$30 apiece on average--prices them beyond the reach of most minors.

The HCA is committed to protecting the freedom of legal-age adults to enjoy cigars. Pursuant to that aim, HCA is also committed to revising the burdensome Hawaii tax code, which disadvantages local cigar retailers, and the Kauai grown cigar industry by requiring it to pay far more than its fair share in taxes for their artisanal products. The current wholesale tax of 50% also incentivizes consumers to buy cheaper cigars from unlicensed sources outside the state.

The HCA stands united with the Legislature in ensuring that Hawai'i's youth be discouraged from using tobacco of any kind, including cigars.

On behalf of all those who enjoy cigars, we thank you for your consideration on this very important tax bill. This law would bring parity to the tax code, support local businesses, and farms, and keep Hawaii's tax dollars at home.

Sincerely,



Les Drent
for the Hawaii Cigar Association

For More Information on the Hawaii Cigar Association please visit

hawaiicigarassociation.org



CAP THE CIGAR TAX!

Create Fairness and Equal Opportunity for Hawaii Businesses

Tax Caps in other US States with high % Cigar Taxes

Arkansas
(68% mfr. price, 50¢ cap)

Connecticut
(50% wholesale, 50¢ cap)

Florida
(no tax on cigars)

Iowa
(50% wholesale, 50¢ cap)

Michigan
(32% wholesale, 50¢ cap)

New Hampshire
(No tax on premium cigars)

Oregon
(65% wholesale price, 50¢ cap)

Pennsylvania
(no tax on cigars)

Rhode Island
(80% wholesale price, 50¢ cap)

Wisconsin
(71% mfr. price, 50¢ cap)

Washington
(95% taxable sales price, 75¢ cap)

US Government
(52.75% mfr. price 40.26¢ cap)

hawaiicigarassociation.org



To: The Honorable Jill N. Tokuda, Chair
and Members of the Senate Committee on Ways and Means

Date: Tuesday, February 7, 2017
Time: 9:30 a.m.
Place: Conference Room 211, State Capitol

From: Les Drent
for the Hawaii Cigar Association

Re: SB871, Relating to Taxation

Dear Senator Tokuda and Members of the Senate Committee On Ways and Means,

The Kauai Cigar Company, its employees, and industry partners stand in strong **SUPPORT** of SB871, a bill that places a tax cap of 50¢ on large cigars.

This bill, if passed, would bring parity to the Hawaii tax code, and our Kauai grown cigars would finally be treated fairly under the law. For years, our company has been paying much more than its fair share of taxes as a result of an extremely high cost of production here in the Islands. Because the tax rate is percentage based, our competitors are selling the same size cigars, but are able to charge less tax as a result of a much lower cost of goods. Furthermore, many of our competitors' cigars are made entirely by machine and sell at very low price points, thus driving the tax liability to a mere fraction of what Kauai Cigar Company must pay every month on its M19 returns.

Also impacting our farming business negatively is the loss of sales as a result of many Hawaii consumers purchasing lower priced mail order premium cigars from outside of Hawaii. We strongly believe that few, if any, of these consumers file usage tax returns on their out of State purchases. We lose, the Department of Revenue loses, and ultimately the people of Hawaii lose with the loss of tax collection.

Even under this unfair tax structure, no farm laborer is paid less than fifteen dollars per hour, and full time employees receive the benefit of full health care insurance, paid in full by the company. Every employee is covered by Worker's compensation insurance, and Temporary Disability Insurance. When you add all this together and tax the final product at 50% what you have are cigars that are priced between ten to twenty dollars by the time they hit store shelves. And at these prices, we would venture to guess that these cigars never reach the hands of a youth consumer!

For all these reasons listed, all of us at Kauai Cigar Company applaud each and every Hawaii Legislator that recognizes our hard work, and our right to be treated fairly under Hawaii tax code.

Sincerely,

Les Drent
Farmer/President

Kauai Cigar Company
6200 Kawaihau Road, Unit B, Kapaa, HI 96746 USA
Ph: 808-822-4495 Fax: 808-822-9731

February 6, 2017

TO: Chair Jill N. Tokuda and Members of the Senate Committee on Ways and Means

FROM: Cigar Association of America, Inc.
(William Goo)

RE: **SB 871** - Relating to Taxation
Hearing Date: February 7, 2017
Time: 9:30 am

My name is William Goo. I represent the Cigar Association of America, Inc. (CAA).

CAA **supports** SB 871 which creates a tax cap on the sale of large cigars. This bill would tax large cigars at the lesser of 50 cents for each large cigar or 50% of the wholesale price of a large cigar which is the current rate. The effect of a cap would not necessarily be an increase in the number of cigar consumers or the consumption rate but should result in an increase in local purchases and hence, more tax revenue for the State.

Thank you for considering this testimony.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 7:02 AM
To: WAM Testimony
Cc: johnathon.g.myers@gmail.com
Subject: Submitted testimony for SB871 on Feb 7, 2017 09:30AM

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Johnathon G. Myers	Cigar Rights of America, Hawaii	Support	No

Comments: RE: Petition to SUPPORT an excise tax cap of \$0.50 on large cigars. I am writing to you today as a consumer of large premium cigars and to urge you to SUPPORT and vote AYE on Senate Bill 871 (SB 871), companion House Bill 1332 (HB 1332) and House Bill 769 (HB 769) written only as an excise tax cap on large or premium cigars. As a large premium cigar consumer and enthusiast SB 871, HB 1332, and HB 769 will protect my passion for large premium cigars and will no longer deny large premium cigars parity and fairness under the tax code. Furthermore, SB 871, HB 1332 and HB 769 will also benefit small businesses, consumers, and in turn the state by encouraging in-state purchases of large premium cigars. The excise tax cap will facilitate large premium cigar retailers to better price their products, compete in the national and international market for retail sales of large premium cigars, and ultimately generate positive growth of in-state jobs and tax revenue. In addition, SB 871, HB 1332 and HB 769 are purely proposed tax bills; therefore any testimony not directly related to taxation should be dismissed as unrelated testimony. Also, I urge you to PREVENT these bills from being "guttled and replaced" with other language unrelated to an excise tax cap on large or premium cigars; it is an unethical circumvention and manipulation of the proper process for public involvement. In closing, I respectfully ask that you SUPPORT Hawai'i large premium cigar consumers, small businesses, distributors, and manufacturers and vote AYE on Senate Bill 871, House Bill 1332 and House Bill 769 written only as an excise tax cap on large or premium cigars. Thank you for your time and attention on this taxation matter. Sincerely, Johnathon Myers CigarRights of America Ambassador, Hawaii ambassador0231@cigarrights.org www.cigarrights.org

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 3, 2017 3:50 PM
To: WAM Testimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB871 on Feb 7, 2017 09:30AM*

SB871

Submitted on: 2/3/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 1:19 PM
To: WAM Testimony
Cc: celugmai@gmail.com
Subject: *Submitted testimony for SB871 on Feb 7, 2017 09:30AM*

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
colleen	Individual	Support	No

Comments:

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 3, 2017 4:58 PM
To: WAM Testimony
Cc: tai1983@gmail.com
Subject: *Submitted testimony for SB871 on Feb 7, 2017 09:30AM*

SB871

Submitted on: 2/3/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Tai Erum	Individual	Support	No

Comments:

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 4:07 PM
To: WAM Testimony
Cc: keane.tanaka@gmail.com
Subject: *Submitted testimony for SB871 on Feb 7, 2017 09:30AM*

SB871

Submitted on: 2/4/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Keane Tanaka	Individual	Support	No

Comments:

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 8:12 AM
To: WAM Testimony
Cc: jonfia@gmail.com
Subject: Submitted testimony for SB871 on Feb 7, 2017 09:30AM

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Jon Fia	Individual	Support	No

Comments: RE: Petition to SUPPORT an excise tax cap of \$0.50 on large cigars. As an enthusiast of large premium cigars, I am writing to urge you to SUPPORT and vote AYE on Senate Bill 871 (SB 871), companion House Bill 1332 (HB 1332) and House Bill 769 (HB 769) written only as an excise tax cap on large or premium cigars. In a nutshell I want to protect what is left of the local businesses that responsibly sell premium cigars. The majority of the cigar purchases in Hawaii have been driven to online retailers or military outlets. The .50 cent tax cap allows local businesses to compete with online vendors who dont pay a state tax as well as the state GET tax. The added benefit is it will actually INCREASE the amount of tax revenue gathered. We currently pay 50% cigar tax (with a bill to increase is to 70%). People arent stupid. They will go online and avoid the tax. 50% cigar tax x zero sales = zero. People are willing to pay a .50 cent tax as it will still be comparable to online sales when they factor in the cost to ship the product to Hawaii. Dont let opponents fool you with charts and graphs that about increasing revenue by increasing tax rates. They obviously never took a basic economics course and learned the concept of price elasticity. In addition, SB 871, HB 1332 and HB 769 are purely proposed tax bills; therefore any testimony not directly related to taxation should be dismissed as unrelated testimony. In closing, I respectfully ask that you SUPPORT Hawai'i large premium cigar consumers, small businesses, distributors, and manufacturers and vote AYE on Senate Bill 871, House Bill 1332 and House Bill 769 written only as an excise tax cap on large or premium cigars. Thank you for your time and attention on this taxation matter.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 8:01 AM
To: WAM Testimony
Cc: g.m.calvo23@gmail.com
Subject: Submitted testimony for SB871 on Feb 7, 2017 09:30AM

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Guillermo Calvo	Individual	Support	No

Comments: I support this measure because it will help farmers to keep jobs here in Hawaii.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 7:59 AM
To: WAM Testimony
Cc: scottavpdx@gmail.com
Subject: *Submitted testimony for SB871 on Feb 7, 2017 09:30AM*

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
scott deason	Individual	Support	No

Comments:

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 7:53 AM
To: WAM Testimony
Cc: mikeabell808@gmail.com
Subject: Submitted testimony for SB871 on Feb 7, 2017 09:30AM

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Michael abell	Individual	Support	No

Comments: I suspect this effort that keep jobs here in our community s

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 7:39 AM
To: WAM Testimony
Cc: jeff.layman@okstate.edu
Subject: Submitted testimony for SB871 on Feb 7, 2017 09:30AM

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
jeff layman	Individual	Support	No

Comments: I support this bill as an opportunity to create local jobs and stimulate the local economy.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 7:33 AM
To: WAM Testimony
Cc: trevpless@gmail.com
Subject: Submitted testimony for SB871 on Feb 7, 2017 09:30AM

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Trevyn Pless	Individual	Support	No

Comments: I support this effort to bring parity to the tax code and help keep jobs here in Hawaii.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 9:26 AM
To: WAM Testimony
Cc: DHCigarman@aol.com
Subject: Submitted testimony for SB871 on Feb 7, 2017 09:30AM

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Dennis A. Huddy	Individual	Comments Only	No

Comments: I am submitting this in support of SB871 to reduce the tax on large cigars from 50% wholesale to a \$0.50 cap on each large cigar. Hawaii retailers are placed at an unfair advantage competing against mainland companies with lesser tobacco taxes. If this bill would pass it would increase local sales thus increasing the tax revenue for the state. This is not my first time submitting testimony for this bill. It has gone through several iterations over the years. It disturbs me that each year we submit testimony the anti-tobacco lobbies submit theirs containing nothing but rhetoric and innuendo. No empirical data is submitted to support their false claims. First, lowering of the cigar tax will not encourage young people to smoke cigars. I ran a cigar shop for seven years and the only time I had a problem with young people coming into the shop were decoys for tobacco enforcement trying to get us to sell to minors under 18. Most of my customers were over 35 years of age. Second, all of the comparisons with health risks are based on cigarette smoking, not cigars. I can even provide FDA study's that conclude that the data indicates that consumption of up to two cigars per day, while not completely safe, is neither associated with significantly increased risks for death from all causes, nor smoking-related cancers. And third, cigar smoking is not habit forming. Cigar smokers smoke for pleasure and need not smoke every hour or every day. And lastly, the second hand smoke study, the demon raised by the EPA was thrown out of Federal Court in 1997 based on conjecture and poor scientific method. Even after the studies would not prove their assertions they doubled the numbers and still could only increase the risk by a factor of 1.3. Based on that they classified second hand smoke as a Class A carcinogen even though such substances normally increase the risk factor by 3. Please consider this bill to help the state and not give into fears from boogie men. Dennis A.Huddy 1582 Eames Street Wahiawa, Hawaii

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 9:35 AM
To: WAM Testimony
Cc: kegdamin@twc.com
Subject: Submitted testimony for SB871 on Feb 7, 2017 09:30AM

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Kristian Egdamin	Individual	Support	No

Comments: As an enthusiast of large premium cigars, I am writing to urge you to SUPPORT and vote AYE on Senate Bill 871 (SB 871). I want to protect what is left of the local businesses that responsibly sell premium cigars. The majority of the cigar purchases in Hawaii have been driven to online retailers or military outlets. The .50 cent tax cap allows local businesses to compete with online vendors who don't pay a state tax as well as the state GET tax. The added benefit is it will actually INCREASE the amount of tax revenue gathered. We currently pay 50% cigar tax (with a bill to increase is to 70%). People will go online and avoid the tax. 50% cigar tax x zero sales = zero. People are willing to pay a .50 cent tax as it will still be comparable to online sales when they factor in the cost to ship the product to Hawaii. In addition, SB 871, HB 1332 and HB 769 are purely proposed tax bills; therefore any testimony not directly related to taxation should be dismissed as unrelated testimony. In closing, I respectfully ask that you SUPPORT Hawai'i large premium cigar consumers, small businesses, distributors, and manufacturers and vote AYE on Senate Bill 871, House Bill 1332 and House Bill 769 written only as an excise tax cap on large or premium cigars. Thank you for your time and attention on this matter.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 9:40 AM
To: WAM Testimony
Cc: cigargunch@gmail.com
Subject: Submitted testimony for SB871 on Feb 7, 2017 09:30AM

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Gunther Weamire	Individual	Support	No

Comments: As an enthusiast of large premium cigars, I am writing to urge you to SUPPORT and vote AYE on Senate Bill 871 (SB 871), companion House Bill 1332 (HB 1332) and House Bill 769 (HB 769) written only as an excise tax cap on large or premium cigars. In a nutshell, I want to protect what is left of the local businesses that responsibly sell premium cigars. The majority of the cigar purchases in Hawaii have been driven to online retailers or military outlets. The 50 cent tax cap allows local businesses to compete with online vendors who dont pay a state tax as well as the state GET tax. The added benefit is it will actually INCREASE the amount of tax revenue gathered. We currently pay 50% cigar tax (with a bill to increase is to 70%). People arent stupid. They will go online and avoid the tax. 50% cigar tax x zero sales = zero. People are willing to pay a 50 cent tax as it will still be comparable to online sales when they factor in the cost to ship the product to Hawaii. Dont let opponents fool you with charts and graphs that about increasing revenue by increasing tax rates. They obviously never took a basic economics course and learned the concept of price elasticity. In addition, SB 871, HB 1332 and HB 769 are purely proposed tax bills; therefore any testimony not directly related to taxation should be dismissed as unrelated testimony. In closing, I respectfully ask that you SUPPORT Hawai'i large premium cigar consumers, small businesses, distributors, and manufacturers and vote AYE on Senate Bill 871, House Bill 1332 and House Bill 769 written only as an excise tax cap on large or premium cigars. Thank you for your time and attention on this taxation matter.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 1:05 PM
To: WAM Testimony
Cc: Darlene.Ben73@gmail.com
Subject: *Submitted testimony for SB871 on Feb 7, 2017 09:30AM*

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Darlene Ben	Individual	Support	No

Comments:

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 1:43 PM
To: WAM Testimony
Cc: dtown_dawg@yahoo.com
Subject: *Submitted testimony for SB871 on Feb 7, 2017 09:30AM*

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Donnell E. Freeman	Individual	Support	No

Comments:

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 1:53 PM
To: WAM Testimony
Cc: b.leong1851@gmail.com
Subject: Submitted testimony for SB871 on Feb 7, 2017 09:30AM

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Brandon Leong	Individual	Support	No

Comments: I am writing to urge you to support and vote yes for Senate Bill 871 written only as a an excise tax cap of \$.50/large cigars. Thanks, Brandon Leong

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 2:16 PM
To: WAM Testimony
Cc: Traeboogie@gmail.com
Subject: *Submitted testimony for SB871 on Feb 7, 2017 09:30AM*

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Melvin Baldwin	Individual	Support	No

Comments:

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 3:34 PM
To: WAM Testimony
Cc: john.a.h.tomoso@gmail.com
Subject: Submitted testimony for SB871 on Feb 7, 2017 09:30AM

SB871

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
John A. H. Tomoso	Individual	Oppose	No

Comments: 02-06-17 Aloha kakou, In SB871, I oppose the cap that will reduce the tax rate on large cigars. This would make these products more accessible to consumers who choose to smoke and, especially more accessible to young, even very young smokers. I know I am one of the large group of concerned citizens, public health professionals and social workers who have been trying, for at least the last 4 years, to kill this legislation. In the realm and perspective of public health, time, when trying to nurture good health/ health practices, is of the essence! Mahalo a nui John A. H. Tomoso, MSW, ACSW, LSW 51 Ku'ula Street Kahului, Maui, HI 96732-2906 808-280-1749 john.a.h.tomoso@gmail.com

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov