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GOVERNOR

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LIEUTENANT GOVERNOR



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DEPUTY DIRECTOR

**STATE OF HAWAII  
DEPARTMENT OF TAXATION**

830 PUNCHBOWL STREET, ROOM 221  
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To: The Honorable John M. Mizuno  
and Members of the House Committee on Health & Human Services

Date: Wednesday, January 24, 2018  
Time: 10:00 A.M.  
Place: Conference Room 329, State Capitol

From: Linda Chu Takayama, Director  
Department of Taxation

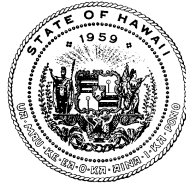
Re: H.B. 1636, Relating to Health

The Department of Taxation (Department) offers the following comments on H.B. 1636 for the committee's consideration.

H.B. 1636 increases the annual license fee for tobacco wholesalers and dealers from \$2.50 per year to \$500 per year. This measure also raises the tax on cigarettes and little cigars from 16 cents per cigarette or little cigar to 22.5 cents per cigarette or little cigar, or \$3.20 per pack to \$4.50 per pack. The measure also raises the tax on tobacco products other than large cigars from 70% of the wholesale price to 80% of the wholesale price. The tax increases are effective July 1, 2018. The bill is effective upon approval.

The Department requests that any increase enacted for license fee and various taxes be made effective January 1, 2019 to allow the Department to make the necessary form and computer system changes.

Thank you for the opportunity to provide comments.



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

**Testimony in SUPPORT of HB1636  
RELATING TO HEALTH**

REPRESENTATIVE JOHN H. MIZUNO, CHAIR  
HOUSE COMMITTEE ON HEALTH & HUMAN SERVICES

Hearing Date: January 24, 2018

Room Number: 329

1 **Fiscal Implications:** The Department of Health (DOH) defers to the Department of Taxation  
2 (DoTAX) on fiscal implications.

3 **Department Testimony:** The Department of Health (DOH) supports this measure to increase  
4 licensing fees and the excise tax for cigarettes and tobacco products.

5 The DOH supports the proposed increases in licensure fees which has remained  
6 unchanged since 1995, despite ever increasing tobacco industry expenditures in marketing and  
7 advertising. Tobacco licensing is an effective tool for limiting the negative public health  
8 consequences of tobacco use by ensuring that wholesalers comply with responsible sales  
9 practices.

10 An analysis of tobacco sales license requirements across the United States reveals a very  
11 broad range of fees for different statutory purposes. The amounts vary from no fee at all to  
12 \$1,500/year. Of the 40 states that do have fees, 26 states charge \$100/year or more and 14 states  
13 charge \$200/year or more. Nine states charge between \$500/year and \$1,500/year. Hawaii is  
14 one of only two states that charge a wholesaler less than a retailer. DOH agrees that increasing  
15 the current license fee to \$500 a year is in line with national practices.

16 According to the U.S. Surgeon General, increasing the price of tobacco products is the  
17 single most effective way to reduce consumption<sup>1</sup>. A ten percent increase in price has been  
18 estimated to reduce overall cigarette consumption by 3-5%<sup>2</sup>. Research suggests that both youth  
19 and young adults are two to three times more likely to respond to increases in price than adults<sup>3</sup>.

1           Despite great progress in reducing smoking, tobacco use is still the leading cause of  
2 preventable illness and death in the United States. Approximately 480,000 deaths are caused by  
3 smoking or exposure to secondhand smoke in our country and 16 million individuals currently  
4 suffer from smoking-related illness<sup>4</sup>. In Hawaii, 1,400 individuals die of smoking-related causes  
5 each year. The annual health care costs directly caused by smoking in Hawaii is approximately  
6 \$526 million<sup>5</sup>.

7           Thank you for the opportunity to provide testimony.

8           **Offered Amendments:** None

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<sup>1</sup> U.S. Department of Health and Human Services. [Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General](#). Atlanta: 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, 2012 [accessed 2018 Jan 22].

<sup>2</sup> Ibid

<sup>3</sup> Ibid

<sup>4</sup> Campaign for Tobacco-Free Kids. The Toll of Tobacco in the United States. Retrieved from <https://www.tobaccofreekids.org/problem/toll-us> on January 22, 2018

<sup>5</sup> Campaign for Tobacco-Free Kids. The Toll of Tobacco in Hawaii. Retrieved from <https://www.tobaccofreekids.org/problem/toll-us/hawaii> on January 22, 2018.



## Testimony in SUPPORT of HB 1636 “Relating to Health”

The American Heart Association strongly supports HB 1636, but recommends that a significant portion of the increased revenue be earmarked to support State-funded tobacco prevention, education and cessation programs.

A one-time sizeable cigarette tax increase would have a greater impact on reducing smoking rates, especially on the lower income and youth markets, which are more price sensitive, and which are the most highly targeted by tobacco industry marketing and advertising.

Because smoking levels are highest among people with low incomes, the cigarette companies will try to argue that cigarette tax increases are regressive taxes that fall disproportionately hard on lower-income families and communities. But this argument turns reality upside down. These are the same companies that have been preying on low-income and poor communities for decades. The cigarette companies have no problem with levying new charges on low-income smokers when it increased their own profits. They only oppose the new charges when someone else (like a state government) gets the new revenues, instead. In fact, when the federal government implemented a new increase on cigarette taxes the cigarette companies wasted no time immediately after the law passed hiking the prices on their products to profiteer on the increase during the interim period between passage of the law and its implementation.

The fact that smoking rates are highest among lower-income groups means that lower-income families and communities currently suffer the most from smoking and will, consequently, benefit the most from any effective new measures to reduce smoking, including increased state cigarette taxes. Their health problems caused by tobacco use also disproportionately affect Medicaid costs to the state.

Smokers who do not reduce their smoking because of a cigarette tax increase will also still benefit economically, along with every other state taxpayer. In Hawaii alone, tobacco use claims 1,400 lives each year and creates \$526 million in annual health care costs directly caused by smoking (\$141.7 million of that is covered by the state Medicaid program). Hawaii residents' state & federal tax burden from smoking-caused government expenditures is \$836 per household. Hawaii's estimated tobacco tax and license revenue, estimated to be almost \$138.8 million does not come close to offsetting the losses to the state caused by tobacco use. Smoking declines caused by state cigarette tax increases directly reduce these smoking-caused economic burdens for all taxpayers, and Hawaii businesses which bear the brunt of employee healthcare costs in our state.

Those who stop smoking in response to cigarette tax increases will greatly improve their own health, which could also significantly reduce their healthcare costs. Because of their higher rate of illness and disability, smokers have substantially higher annual and lifetime healthcare costs than nonsmokers or former smokers (despite living shorter lives).

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free of cardiovascular  
diseases and stroke.”*

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Please remember the American Heart Association in your will.





Those who quit smoking as a result of a tax increase would also then have additional money to spend on taxable products that don't result in over a \$500 million in healthcare costs to the state. The money doesn't go up in smoke; instead it will likely be spent on more productive things that can benefit the smokers' families and our state.

Hawaii has made great strides in reducing tobacco use, but despite these advances, tobacco use remains the leading cause of preventable death in our state and challenges to tobacco control still exist. Hawaii's current adult smoking prevalence (13%) remains higher than the national Healthy People 2020 target of 12%. Moreover, our low smoking rates can conceal the fact that smoking continues to disproportionately affect populations and community groups by race and ethnicity, income and education, mental health and substance abuse, and lesbian, gay, bisexual, and transgender (LGBT) orientation. These subpopulations silently bear the brunt of the tobacco use burden in our state. Additionally, the rapid rise in youth fascination with ESDs and other novel products which have proven to be gateway products to traditional tobacco product use and threaten our cumulative efforts to free the next generation from the deadly effects of nicotine addiction.

The AHA particularly supports the allocation of additional cigarette tax revenue to prevention and control programs. Low-income smokers and their communities disproportionately benefit when the new revenues from cigarette tax increases are directed to programs to help people quit smoking and prevent kids from starting – both because smoking is more prevalent among low-income persons and because they may have much less access or exposure to any such programs than people with higher incomes.

The tobacco industry spends an estimated \$25.5 million each year marketing its products in Hawaii. Hawaii's \$5.3 million investment in tobacco prevention, control and cessation programs pale in comparison, and fall well short of the Centers for Disease Control's (CDC) best practice recommendation of a \$13.7 million annual investment. The Hawaii legislature last increased Hawaii's cigarette tax in 2006. Since that time, inflation of approximately 18% has decreased the value of the cigarette tax to below 85 cents on the dollar.

More community funding is needed to both address tobacco prevention, control and cessation in Hawaii's disparately-affected populations to reduce their smoking rates to levels comparable to Hawaii's broader adult population, as well as to address skyrocketing youth initiation into tobacco through use of electronic smoking devices. An increase in Hawaii's cigarette tax would help to provide the needed funding to address one of the leading major health risks among Hawaii's most vulnerable populations.

The American Heart Association urges your support of SB 1636.

Respectfully submitted,

Donald B. Weisman  
Hawaii Government Relations/Communications Director

*"Building healthier lives,  
free of cardiovascular  
diseases and stroke."*

life is why™ es por la vida™ 全为生命™

Please remember the American Heart Association in your will.





American Cancer Society  
Cancer Action Network  
2370 Nu`uanu Avenue  
Honolulu, Hawai`i 96817  
808.432.9149  
[www.acscan.org](http://www.acscan.org)

House Committee on Health and Human Services  
Representative John Mizuno, Chair  
Representative Bertrand Kobayashi, Vice Chair

### **HB 1636 – RELATING TO HEALTH**

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

Thank you for the opportunity to provide testimony in support of HB 1636, which increases the tax on cigarettes and other tobacco products other than large cigars and increases the license fees for wholesalers and dealers.

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.

#### Tobacco Products are Cheap, but the Health Costs are High

Tobacco is an addictive and deadly product. 1,400 Hawaii residents lose their lives each year from smoking. 21,000 kids alive today in Hawaii will die prematurely from smoking if nothing is done to reduce our tobacco use rates.<sup>1</sup>

#### Significantly Increasing Taxes on Tobacco Reduces Tobacco Consumption

Regular, significant increases in the retail price of cigarettes reduce the number of people who begin smoking and increase the number of smokers who quit. Increasing Hawaii's cigarette tax to \$4.50 per pack would prevent 4,400 kids from starting to smoke, and help 6,300 adults who smoke quit. Lower smoking rates translate into fewer smoking-related cancers and premature deaths, reduced spending on smoking-related health problems, and more productive workers. When tax increases are small, tobacco companies can adjust prices or offer coupons or discounts to reduce the impact.

Substantial increases in cigarette tax rates generate new revenue. In fact, increasing Hawaii's cigarette tax to \$4.50 per pack would generate \$15.78 million in new revenue and save \$218.67 million in long term health care costs. Revenue increases from higher

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<sup>1</sup> Campaign for Tobacco-Free Kids. The Toll of Tobacco in Hawaii. Updated November 17, 2017.  
[https://www.tobaccofreekids.org/facts\\_issues/toll\\_us/hawaii](https://www.tobaccofreekids.org/facts_issues/toll_us/hawaii)

cigarette taxes substantially outweigh any decline in revenue due to fewer cigarettes being sold.

We recommend that the committee also consider increasing the fees for tobacco retail permits as well as licenses. Both tobacco permit and license fees are significantly lower than other license and permit fees and haven't been increased for many years. We also urge this committee to consider increasing the tax on other tobacco products higher than 80% and on large cigars to create parity among all tobacco products.<sup>2</sup>

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

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<sup>2</sup> To create parity with a \$1.30 cigarette tax increase Tobacco Free Kids recommends raising the tax on other tobacco products to 101%.



Date: January 23, 2018

To: The Honorable John Mizuno, Chair  
The Honorable Bertrand Kobayashi, Vice Chair  
Members of the House Committee on Health and Human Services

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

Re: **SUPPORT for HB1636, Relating to Health**

Hrg: January 24, 2018 at 10:00am at Conference Room 329

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Thank you for the opportunity to submit testimony in **SUPPORT** of HB1636, which increases the license fee for wholesalers or dealers of cigarettes and tobacco products and increases the tax on cigarettes and tobacco products.

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 more than 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.

The Coalition supports an increase in taxes on cigarettes and tobacco products. Raising taxes is a proven strategy to reduce consumption on tobacco products for both adults and youth. The Coalition notes that there has not been an increase in taxes on cigarettes and little cigars in the last seven years and for other tobacco products, other than large cigars, the last tax increase occurred in 2009.

The Coalition also supports increasing the license fee for wholesalers, which is currently \$2.50 and recommends increasing the permit fee from \$20 to \$50.

The Coalition notes that electronic smoking devices (ESDs) and e-liquids are currently not included in Chapter 245, Hawaii Revised Statutes and offers the following recommendations:

- To consider imposing a tax on e-liquids to sustain cessation and prevent youth initiation;
- To require retailers of e-liquid and electronic smoking devices to obtain a retail tobacco permit; and
- To require wholesalers or dealers of e-liquid without obtaining a tobacco license.

Majority of registered Hawai'i voters support an increase in cigarette taxes (76%) and nearly nine in ten registered voters (89%) feel that it is important for the State to dedicate part of its revenue to tobacco prevention and cessation programs<sup>i</sup>. Currently no money from tobacco taxes are



allocated towards tobacco prevention and control. The Coalition requests that HB1636 dedicate a portion of the proposed revenue to the Department of Health for tobacco cessation programs and education. Populations at risk that continue to experience higher rates of smoking would be the primary beneficiaries of these education and cessation activities, helping to provide them with the resources needed to quit smoking and to help curb the high costs associated with tobacco use.

Tobacco use is still the number one preventable cause of death and costs our State \$526 million annually. According to the Campaign for Tobacco-Free Kids, an estimated 500 kids become new daily smokers each year<sup>ii</sup>. It is time for Hawai'i to raise its taxes on tobacco and help reduce unnecessary hospitalizations and costs for the State.

Raising tobacco taxes encourages people to quit smoking and regulating vaping will help to prevent youth and young adults from using tobacco products. Hawai'i has been leading the way in tobacco control, and this bill will continue to champion our efforts in reducing smoking rates across the state.

The Coalition supports HB1636 and asks you to pass this out of committee.

Mahalo,



Jessica Yamauchi  
Executive Director

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<sup>i</sup> This study by Ward Research, Inc. is an independent poll conducted for the Coalition for a Tobacco-Free Hawai'i and summarizes findings from a phone survey among n=804 (margin error 3.3%) Hawaii registered voters, conducted between October 24 and November 16, 2017.

<sup>ii</sup> Coalition for Tobacco-Free Kids. "The Toll of Tobacco in Hawaii" from <https://www.tobaccofreekids.org/problem/toll-us/hawaii>.

**January 24, 2018 at 10:00am**

Conference Room 329

House Committee on Health & Human Services

To: Representative John M. Mizuno, Chair  
Representative Bertrand Kobayashi, Vice Chair  
Members of the House Committee on Health & Human Services

From: Michael Robinson  
Vice President & Government Relations

**Re: Support for HB1636 – Relating to Health**

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My name is Michael Robinson, Vice President & Government Relations at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system with over 70 locations statewide including medical centers, clinics, physicians and other caregivers serving Hawai'i and the Pacific Region with high quality, compassionate care. Its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox – specialize in innovative programs in women's health, pediatric care, cardiovascular services, cancer care, bone and joint services and more. Hawai'i Pacific Health is recognized nationally for its excellence in patient care and the use of electronic health records to improve quality and patient safety. Learn more at [HawaiiPacificHealth.org](http://HawaiiPacificHealth.org).

I support HB1636, which increases the license fee for wholesalers of cigarettes and tobacco products and increases the tax on cigarettes and tobacco products.

Raising tobacco taxes is a proven strategy that sustains cessation, prevents youth initiation, and reduces consumption among those currently using tobacco products. Hawai'i Pacific Health also supports increasing the tobacco wholesaler license fee.

I ask the legislature to consider including electronic smoking devices (ESDs) and e liquids in HB1636. These products have surpassed cigarettes as the most popular tobacco product used by youth, yet they remain untaxed by the State. Sellers of ESDs and e liquids are also not required to obtain a tobacco license and permit before selling and distributing these products. I hope that you consider regulating electronic smoking devices as a part of this measure.

Thank you for your consideration of this testimony in support of HB1636.

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

**Strong Support for HB1636**

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

I am writing to express my strong support for HB1636, which if passed, would increase the taxes on each cigarette or little cigar by 22 cents and place an excise tax of eighty percent of the wholesale price on tobacco products other than large cigars.

Tobacco use is the nation's most preventable cause of death, yet nearly half a million Americans will die from smoking-related diseases this year. Most tobacco users say they want to quit and about half try to quit each year, but only less than 10 percent succeed without help.

Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Irene Stielow

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

**Strong Support for HB1636**

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Tenaya Jackman  
Honolulu, 96815

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

**Strong Support for HB1636**

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Cheryl Reeser  
Makawao, 96768

Brannagan Mukaisu

Honolulu 96817

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

**Strong Support for HB1636**

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Brannagan Mukaisu  
Honolulu, 96817

Neil Clendeninn

Hanalei 96714

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

**Strong Support for HB1636**

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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Tobacco use is the nation's most preventable cause of death, yet nearly half a million Americans will die from smoking-related diseases this year. Most tobacco users say they want to quit and about half try to quit each year, but only less than 10 percent succeed without help.

Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Neil Clendeninn  
Hanalei, 96714

H G Picher

Kea'au 96749

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

I am writing to express my strong support for HB1636, which if passed, would increase the taxes on each cigarette or little cigar by 22 cents and place an excise tax of eighty percent of the wholesale price on tobacco products other than large cigars.

Tobacco use is the nation's most preventable cause of death, yet nearly half a million Americans will die from smoking-related diseases this year. Most tobacco users say they want to quit and about half try to quit each year, but only less than 10 percent succeed without help.

Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
H G Picher



Gladys Fujiuchi  
Lihue 96766

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

I am writing to express my strong support for HB1636, which if passed, would increase the taxes on each cigarette or little cigar by 22 cents and place an excise tax of eighty percent of the wholesale price on tobacco products other than large cigars.

Tobacco use is the nation's most preventable cause of death, yet nearly half a million Americans will die from smoking-related diseases this year. Most tobacco users say they want to quit and about half try to quit each year, but only less than 10 percent succeed without help.

Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Gladys Fujiuchi

Justin Scott

Kaneohe 96744

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

I am writing to express my strong support for HB1636, which if passed, would increase the taxes on each cigarette or little cigar by 22 cents and place an excise tax of eighty percent of the wholesale price on tobacco products other than large cigars.

Tobacco use is the nation's most preventable cause of death, yet nearly half a million Americans will die from smoking-related diseases this year. Most tobacco users say they want to quit and about half try to quit each year, but only less than 10 percent succeed without help.

Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Justin Scott

tony angelini

Hana 96713

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

I am writing to express my strong support for HB1636, which if passed, would increase the taxes on each cigarette or little cigar by 22 cents and place an excise tax of eighty percent of the wholesale price on tobacco products other than large cigars.

Tobacco use is the nation's most preventable cause of death, yet nearly half a million Americans will die from smoking-related diseases this year. Most tobacco users say they want to quit and about half try to quit each year, but only less than 10 percent succeed without help.

Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
tony angelini

Robert Van Wagoner

Haiku 96708-0837

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

I am writing to express my strong support for HB1636, which if passed, would increase the taxes on each cigarette or little cigar by 22 cents and place an excise tax of eighty percent of the wholesale price on tobacco products other than large cigars.

Tobacco use is the nation's most preventable cause of death, yet nearly half a million Americans will die from smoking-related diseases this year. Most tobacco users say they want to quit and about half try to quit each year, but only less than 10 percent succeed without help.

Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Robert Van Wagoner

Alicia DeVoll

Honolulu 96826-4737

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

I am writing to express my strong support for HB1636, which if passed, would increase the taxes on each cigarette or little cigar by 22 cents and place an excise tax of eighty percent of the wholesale price on tobacco products other than large cigars.

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Alicia DeVoll

Lani Almanza

Kaneohe 96744

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

The power of your vote will save lives. Don't let one more person be the victim of tobacco use.

I urge you to support HB1636.

Mahalo,  
Lani Almanza

Joyce Carvalho

Kapaa 96746

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Joyce Carvalho

Kaitlin Moore

Captain Cook 96704

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Kaitlin Moore



Molly Pierce

Honolulu 96816

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

I am writing to express my strong support for HB1636, which if passed, would increase the taxes on each cigarette or little cigar by 22 cents and place an excise tax of eighty percent of the wholesale price on tobacco products other than large cigars.

Tobacco use is the nation's most preventable cause of death, yet nearly half a million Americans will die from smoking-related diseases this year. Most tobacco users say they want to quit and about half try to quit each year, but only less than 10 percent succeed without help.

Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Molly Pierce

Jeanne Hardie  
Lahaina 96761

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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I urge you to support HB1636.

Mahalo,  
Jeanne Hardie

Valerie Toro

Paia 96779-9728

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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I urge you to support HB1636.

Mahalo,  
Valerie Toro

Bob Duffer

Kailua Kona 96740

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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I urge you to support HB1636.

Mahalo,  
Bob Duffer

Laura Ruby

Honolulu 96826

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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I urge you to support HB1636.

Mahalo,  
Laura Ruby

Davin Aoyagi

Honolulu 96821

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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I urge you to support HB1636.

Mahalo,  
Davin Aoyagi

Jennifer Hausler

Pearl city 96782

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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I urge you to support HB1636.

Mahalo,  
Jennifer Hausler

Linda Brogan

Honolulu 96817

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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I urge you to support HB1636.

Mahalo,  
Linda Brogan



maria endler

kaneohe 96744

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

### Strong Support for HB1636

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I am writing to express my strong support for HB1636, which if passed, would increase the taxes on each cigarette or little cigar by 22 cents and place an excise tax of eighty percent of the wholesale price on tobacco products other than large cigars.

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
maria endler

Lynda Barry

Wailuku 96793-2641

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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I urge you to support HB1636.

Mahalo,  
Lynda Barry

Danielle Spitz

Kamuela 96743

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Danielle Spitz

Sandra Watnaabe

honolulu 96821

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Sandra Watanabe

Rachel Eddy

Captain Cook 96704

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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I urge you to support HB1636.

Mahalo,  
Rachel Eddy

Natalie Nimmer

Honolulu 96816

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Natalie Nimmer

Shirlee M. Shumway

Holualoa 96725

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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Tobacco use is the nation's most preventable cause of death, yet nearly half a million Americans will die from smoking-related diseases this year. Most tobacco users say they want to quit and about half try to quit each year, but only less than 10 percent succeed without help.

Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

This is a rewarding Tax! I fully approve and I feel this tax should include any future Recreational Marijuana Products.

I urge you to support HB1636.

Mahalo,  
Shirlee M. Shumway

Lee Lord

Volcano 96785

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

**Strong Support for HB1636**

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

I am writing to express my strong support for HB1636, which if passed, would increase the taxes on each cigarette or little cigar by 22 cents and place an excise tax of eighty percent of the wholesale price on tobacco products other than large cigars.

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I urge you to support HB1636.

Mahalo,  
Lee Lord



Jaci Chan

Honolulu 96816

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Jaci Chan

Randall Imada

Honolulu 96813

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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I urge you to support HB1636.

Mahalo,  
Randall Imada

Patti Ornellas

Kalaheo 96741

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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I urge you to support HB1636.

Mahalo,  
Patti Ornellas

Sherron Bull

Kailua kona 96745

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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I urge you to support HB1636.

Mahalo,  
Sherron Bull

Eric Haskins

Hilo 96720

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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I urge you to support HB1636.

Mahalo,  
Eric Haskins

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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I urge you to support HB1636.

Mahalo,  
Karen Edwards  
Honolulu, HI 96817

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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I urge you to support HB1636.

Mahalo,  
Janice Bond  
Lihue, HI 96766

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

I am writing to express my strong support for HB1636, which if passed, would increase the taxes on each cigarette or little cigar by 22 cents and place an excise tax of eighty percent of the wholesale price on tobacco products other than large cigars.

As a former smoker I understand the lack of control one has over the addiction to tobacco. The price that one pays to continue to smoke is staggering. I believe that an increase in tax will make it harder for one to begin, much less continue to smoke.

Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Lori Poaipuni  
Wailuku, HI 96793



Momi Kawai

Hilo 96720

Jan 22, 2018

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

I am writing to express my strong support for HB1636, which if passed, would increase the taxes on each cigarette or little cigar by 22 cents and place an excise tax of eighty percent of the wholesale price on tobacco products other than large cigars.

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I urge you to support HB1636.

Mahalo,  
Momi Kawai

Bernie Sakoda

LIHUE 96766

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Bernie Sakoda

Camille Chong

Honolulu 96826

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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I urge you to support HB1636.

Mahalo,  
Camille Chong

jennie whitlock

Honolulu 96816

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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I urge you to support HB1636.

Mahalo,  
jennie whitlock

Jamie Louis

Pearl City 96782

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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I urge you to support HB1636.

Mahalo,  
Jamie Louis

Gary DuBrall

kapolei 96816

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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I urge you to support HB1636.

Mahalo,  
Gary DuBrall

Tim Derflinger  
Waikoloa 96738

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

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I urge you to support HB1636.

Mahalo,  
Tim Derflinger

Richard Goldman

Kamuela 96743

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Richard Goldman



Tia Pearson  
Wahiawa 96786

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

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Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Tia Pearson

James Gauer

Honolulu 96818

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

I am writing to express my strong support for HB1636, which if passed, would increase the taxes on each cigarette or little cigar by 22 cents and place an excise tax of eighty percent of the wholesale price on tobacco products other than large cigars.

Tobacco use is the nation's most preventable cause of death, yet nearly half a million Americans will die from smoking-related diseases this year. Most tobacco users say they want to quit and about half try to quit each year, but only less than 10 percent succeed without help.

Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

It is time to undue the years of damage that misleading campaigning by the tobacco industry has caused on families and their descendants!

I urge you to support HB1636.

Mahalo,  
James Gauer

Dawn Pung

Hilo 96720

House Committee on Health and Human Services  
Chair, John Mizuno  
Vice Chair, Bertrand Kobayashi

Strong Support for HB1636

Aloha Chair Mizuno, Vice Chair Kobayashi and other Members of the Committee,

I am writing to express my strong support for HB1636, which if passed, would increase the taxes on each cigarette or little cigar by 22 cents and place an excise tax of eighty percent of the wholesale price on tobacco products other than large cigars.

Tobacco use is the nation's most preventable cause of death, yet nearly half a million Americans will die from smoking-related diseases this year. Most tobacco users say they want to quit and about half try to quit each year, but only less than 10 percent succeed without help.

Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit.

I urge you to support HB1636.

Mahalo,  
Dawn Pung

Date: January 23, 2018

To: The Honorable John Mizuno, Chair  
The Honorable Bertrand Kobayashi, Vice Chair  
Members of the House Committee on Health and Human Services

**LATE**

From: Kahala Howser, Executive Director, American Lung Association in Hawaii

Re: **SUPPORT for HB1636, Relating to Health**

Hrg: January 24, 2018 at 10:00am at Conference Room 329

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The American Lung Association urges your support for HB 1636 to increase the license fee for tobacco wholesalers or dealers and to raise taxes on cigarettes and tobacco products.

Tobacco use is a serious addiction and remains the leading cause of preventable death and disease in our state and in our nation. More than one in five high school students still use tobacco products, setting them up for a lifetime of addiction. There are evidence based strategies to reduce tobacco use; one of the best policies to reduce impact is increasing tobacco taxes. Peer-reviewed economic studies demonstrate that every ten percent increase in the price of cigarettes reduces youth consumption by 6 to 7 percent. Hawaii can do more to protect our youth from ever using tobacco.

According to the Campaign for Tobacco-Free Kids, an estimated 500 youth become new daily smokers each year<sup>i</sup> in Hawaii. In addition to cigarette use, the 2017 Youth Risk Behavior Survey reports that 42.3% of high school students are experimenting with electronic smoking devices (current use is 25.5%). For those in middle school, 27% have tried using electronic smoking devices (current use is 15.7%).

The American Lung Association asks for your consideration to include electronic smoking devices (including e liquids) in the legislation. Youth are using these devices at alarming rates; yet they are not taxed as tobacco products. Electronic smoking devices should be taxed and regulated as tobacco products.

Mahalo,

Kahala Howser

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<sup>i</sup> Coalition for Tobacco-Free Kids. "The Toll of Tobacco in Hawaii" from <https://www.tobaccofreekids.org/problem/toll-us/hawaii>.

**LATE**

**HB-1636**

Submitted on: 1/23/2018 5:06:32 PM  
Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Robert Fung	Aloha Petroleum, Ltd.	Oppose	No

Comments:

Aloha Petroleum opposes HB 1636, Relating to Health, which increases the license fee for wholesalers or dealers of cigarettes and tobacco products from \$2.50 to \$500 and imposes an excise tax of 22.50 cents for each cigarette sold. HB 1636 is a regressive tax which will unfairly hurt low income earners. More importantly, HB 1636 will put local businesses in jeopardy and jobs will be lost for thousands of people in Hawai'i.

January 23, 2018

**LATE**

The Honorable John Mizuno, Chair  
The Honorable Bertrand Kobayashi, Vice Chair  
Members of the House Committee on Health and Human Services

RE: SUPPORT HB1636 Relating to Health

Chair Mizuno, Vice Chair Kobayashi & Members of the Committee:

Blue Zones Project—Hawaii is focused on ensuring that the people of Hawaii are able to live longer, happier, healthier lives. We support HB1636 which will increase the licensing fee for wholesalers or dealers of cigarettes and tobacco products.

Tobacco use is an epidemic in Hawaii, as it is nationally. It is the number one cause of preventable death and costs our state \$526 million annually. Raising the tobacco tax has proven to decrease youth tobacco use.

We need to help keep our youth healthy by making it more difficult for them to obtain these tobacco products. Not only should we increase the tax, but we feel that increasing the wholesaler licensing fee from \$2.50 and the permit fee from \$20 to \$50 are also important ways that we can work to address the use of tobacco products.

Additionally, we request that you consider including electronic smoking devices and e-liquids into this measure. ESDs are the most popular tobacco product used by youth; they have no tobacco tax attached to them, nor are wholesalers and sellers required to obtain a tobacco license and permit in order to sell these products, so the vaping industry remains completely unregulated. We hope you can consider addressing this issue as well.

Thank you for this opportunity to testify.

Sincerely,

*Peggy Mierzwa*

Peggy Mierzwa  
Statewide Policy Lead  
Blue Zones Project—Hawaii

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Hawaii by



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**HB-1636**

Submitted on: 1/23/2018 10:53:06 AM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Wendy Arbeit		Support	No

Comments:

I strongly support raising taxes on these items in hopes that it will dissuade teens from starting to smoke,

**HB-1636**

Submitted on: 1/23/2018 11:40:41 AM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
C. Azelski		Support	No

Comments:

Please pass HB1636 to discourage young people from starting a life-long, expensive and health damaging habit.



**HB-1636**

Submitted on: 1/23/2018 11:49:09 AM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Joseph Keawe'aimoku Kaholokula		Support	No

Comments:

I **SUPPORT** HB1636, which increases the license fee for wholesalers or dealers of cigarettes and tobacco products and increases the tax on cigarettes and tobacco products.

Raising tobacco taxes is a proven strategy that sustains cessation, prevents youth initiation, and reduces consumption among those currently using tobacco products. I also support increasing the tobacco wholesaler license fee from which is currently \$2.50 annually and recommends increasing the permit fee from \$20 to \$50.

I would like to ask the legislature to consider including electronic smoking devices (ESDs) and eliquids in HB1636. ESDs have surpassed cigarettes as the most popular tobacco product used by youth, yet they are the only tobacco product without a tobacco tax. Sellers and wholesalers of ESDs and eliquids are also not required to obtain a tobacco license and permit in order to sell and distribute these products. I hope you can consider regulating vaping as part of this measure.

Tobacco use is still the number one preventable cause of death and costs our State \$526 million annually. According to the Campaign for Tobacco-Free Kids, an estimated 500 kids become new daily smokers each year<sup>[1]</sup>. In addition to cigarette use, the 2017 Youth Risk Behavior Survey reports that 42.3% of high school students are experimenting with ESDs (current use is 25.5%). For those in middle school, 27% have tried using ESDs (current use is 15.7%). It is time for Hawai'i to take action on vaping and regulate these as tobacco products.

I support HB1636 and asks you to pass this out of committee.

**HB-1636**

Submitted on: 1/22/2018 10:33:35 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jason Nagamine		Oppose	No

Comments:

**HB-1636**

Submitted on: 1/23/2018 12:43:50 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Gerald Honma	Smokeless Hawaii	Oppose	No

Comments:

Aloha State Legislatures,

Please do not cripple our State economy anymore then you already have.

You need all the Tax income from Great Businesses like our Vape industries all across the State of Hawaii. By putting a unfair tax on local vape businesses here in Hawaii, All of the tax revenues will be lost and diverted off Island to the Mainland Websites.

You folks are already hurting our Local Businesses all across the Island of Oahu w/ this unaffordable Rail System that is interffering w/ local traffic to our stores.

Please lets be fair and let us be able to compete w/ Mainland companies, And wait for a FDA rulings for every State. Not just Hawaii to be crushed by this so called 80% Tobacco Tax.

Best Regards,

Smokeless Hawaii Enterprises

Gerald Honma

**HB-1636**

Submitted on: 1/23/2018 1:22:18 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Vin Kim	Vape Hawaii	Oppose	No

Comments:

**HB-1636**

Submitted on: 1/23/2018 1:25:39 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Johnathon Myers	Cigar Rights of America	Oppose	No

## Comments:

Taxation should not be used as a tool to curb behavior; it is the least effective method. Education and cessation devices (patch, pill, gum, e-cigarette, etc.) are the appropriate tool for properly changing a behavior; it is the most effective method. Senators and Representatives should remain neutral on any proposed Bills that attempt to influence behavior. It is not the responsibility of legislators to modify your constituents' behaviors.

**HB-1636**

Submitted on: 1/23/2018 1:27:28 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Teddy Kim		Oppose	No

Comments:

**HB-1636**

Submitted on: 1/23/2018 1:31:28 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Devin Wolery		Oppose	Yes

Comments:

I Oppose this bill. Increasing tax on alternative nicotine is bad for the people getting off of more harmful cigarettes.

Tax laws have killed more small mom and pop businesses than anything. And just forces people to go to online or black market.

Vaping has had multiple studies that show no health problems from the use of them.

**HB-1636**

Submitted on: 1/23/2018 2:13:29 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Keane Tanaka		Oppose	No

Comments:



Date: January 23, 2018

To: The Honorable John Mizuno, Chair  
The Honorable Bertrand Kobayashi, Vice Chair  
Members of the House Committee on Health and Human Services

Re: **SUPPORT for HB1636**, Relating to Health  
Hrg: January 24, 2018 at 10:00am at Conference Room 329

Aloha House Committee on Health and Human Resources,

I am writing in strong **SUPPORT of HB1636**, which increases the license fee for wholesalers or dealers of cigarettes and tobacco products and increases the tax on cigarettes and tobacco products.

Raising tobacco taxes is a proven strategy that sustains cessation, prevents youth initiation, and reduces consumption among those currently using tobacco products. I also support increasing the tobacco wholesaler license fee (currently \$2.50 annually) and recommend increasing the permit fee from \$20 to \$50.

I would like to ask the legislature to consider including electronic smoking devices (ESDs) and e-liquids in HB1636. ESDs have surpassed cigarettes as the most popular tobacco product used by youth, yet they are the only tobacco product without a tobacco tax. Sellers and wholesalers of ESDs and e-liquids are currently not required to obtain a tobacco license and permit in order to sell and distribute these products. I hope you will consider regulating vaping as part of this measure.

Tobacco use is still the #1 preventable cause of death and costs our State \$526 million yearly. According to the Campaign for Tobacco-Free Kids, an estimated 500 kids become new daily smokers each year.<sup>1</sup> In addition to cigarette use, the 2017 Youth Risk Behavior Survey reports that 42.3% of high school students are experimenting with ESDs (current use is 25.5%). For those in middle school, 27% have tried using ESDs (current use is 15.7%). It is time for Hawai'i to take action on vaping and regulate these as tobacco products.

I strongly **support HB1636** and respectfully ask you to pass this bill out of committee.

Mahalo nui for your consideration,

Forrest Batz, PharmD  
Keaau, HI

1. Coalition for Tobacco-Free Kids. "The Toll of Tobacco in Hawaii" from <https://www.tobaccofreekids.org/problem/toll-us/hawaii>

**HB-1636**

Submitted on: 1/23/2018 2:55:43 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Darlene Ben		Oppose	No

Comments:

**HB-1636**

Submitted on: 1/23/2018 3:08:17 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Katie Folio	Maui County Coalition for a Tobacco-Free Hawai'i	Support	No

Comments:

Date: January 23, 2018

To: The Honorable John Mizuno, Chair

The Honorable Bertrand Kobayashi, Vice Chair

Members of the House Committee on Health and Human Services

From: Katie Folio

Re: **SUPPORT for HB1636, Relating to Health**

Hrg: January 24, 2018 at 10:00am at Conference Room 329

I **SUPPORT** HB1636, which increases the license fee for wholesalers or dealers of cigarettes and tobacco products and increases the tax on cigarettes and tobacco products.

Raising tobacco taxes is a proven strategy that sustains cessation, prevents youth initiation, and reduces consumption among those currently using tobacco products. I also support increasing the tobacco wholesaler license fee from which is currently \$2.50 annually and recommends increasing the permit fee from \$20 to \$50.

I would like to ask the legislature to consider including electronic smoking devices (ESDs) and eliquids in HB1636. ESDs have surpassed cigarettes as the most popular tobacco product used by youth, yet they are the only tobacco product without a tobacco tax. Sellers and wholesalers of ESDs and eliquids are also not required to obtain a tobacco license and permit in order to sell and distribute these products. **Maui County has the highest youth use rate in the state, with approximately 33 percent of our**

**high school kids now currently vaping, so we are particularly in need of regulations to help curb youth use. Vape shops and lounges are opening up across our county, and ESDs are sold alongside toys in the mall. Please help combat youth use by considering regulating vaping as part of this measure.**

Tobacco use is still the number one preventable cause of death and costs our State \$526 million annually. According to the Campaign for Tobacco-Free Kids, an estimated 500 kids become new daily smokers each year. In addition to cigarette use, the 2017 Youth Risk Behavior Survey reports that 42.3% of high school students are experimenting with ESDs (current use is 25.5%). For those in middle school, 27% have tried using ESDs (current use is 15.7%). It is time for Hawai'i to take action on vaping and regulate these as tobacco products.

I support HB1636 and asks you to pass this out of committee.

Mahalo,

Katie Folio

Kula, Maui, Hawaii

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, Tax Increase

BILL NUMBER: HB 1636

INTRODUCED BY: MIZUNO, KOBAYASHI, Learmont

**LATE**

EXECUTIVE SUMMARY: Increases the license fee for wholesalers or dealers of cigarettes and tobacco products. Increases the taxes on cigarettes and tobacco products.

BRIEF SUMMARY: Amends section 245-2, HRS, to raise the annual license fee for a tobacco wholesaler or dealer from \$2.50 to \$500.00.

Amends section 245-3, HRS, to raise the tax on cigarettes or little cigars from 16 to 22.5 cents per stick, and to impose an excise tax on other tobacco products other than large cigars from 70% to 80% of the wholesale price.

EFFECTIVE DATE: Upon approval, applies after June 30, 2018.

STAFF COMMENTS: As the Foundation's previous President, Lowell Kalapa, wrote in the Tax Foundation of Hawaii's weekly commentary on October 28, 2012:

Lawmakers seem to have a simplistic reaction to solving problems the solution to which plagues their constituents – tax it.

Probably the best example is what people like to call sin taxes, those excise taxes that are levied on tobacco and alcohol products. After all, smoking causes cancer and alcohol causes all sorts of problems including driving under the influence. Lawmakers and community advocates shake their heads and push for higher tax rates, arguing that making these products more expensive will deter folks from using these products.

The problem is that lawmakers also like the revenues that are generated from the sales of these products and, in some cases, they have tried to link the use and sale of these products with noble causes such as the funding of the Cancer Research Center that is currently being built. Again, the argument is that smokers should pay for programs and projects which seek to cure the related ill which in this case is cancer caused by smoking.

The irony is that arguments to increase the tax on tobacco and, more specifically, cigarettes, is a goal of getting smokers to quit while depending on the revenues from tobacco and cigarette taxes to fund an ongoing program, in this case the Cancer Research Center. So, which is it folks, stop smokers from smoking and if successful, there won't be any revenues to fund the Cancer Research Center?

The fact of the matter is that it appears that both locally and nationally, higher taxes on cigarettes is having an effect on smokers as, for the first time, tax collections on the sale of cigarettes have

fallen below the previous year's tax collections. Certainly some of the decline is due to smokers actually quitting, but to some degree one has to suspect that some purchases were made via mail order from exempt Indian reservation outlets while others may be what is called gray market purchases, that is from sources outside the country.

What should come as a surprise is that most of the folks who have quit are of some means as they are more likely to recognize the health hazard caused by use of this product. That means most of those who are still smoking are among the lower-income members of our community. Thus, the tax is regressive, generating less and less collections from middle and higher-income individuals.

As predicted, programs that have been fed by earmarks from the tobacco tax, like the Cancer Research Center, have become a victim of the success of tobacco cessation programs and publicity. Revenues produced by the tobacco tax have been in steady decline over the past few years, and hoisting the smoking age to 21 in the 2015 session certainly didn't reverse the trend.

Do we really need an elaborate study to tell ourselves that fiscal reliance on earmarked funds from a sin tax is inadvisable or outright dangerous?

Digested: 1/23/18

**LATE**

**HB-1636**

Submitted on: 1/23/2018 8:21:46 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
shaun	PCGZ	Oppose	No

Comments:

**HB-1636**

Submitted on: 1/23/2018 9:25:53 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

**LATE**

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Scott Stensrud		Support	No

Comments:



**LATE**

**HB-1636**

Submitted on: 1/23/2018 9:35:23 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Riken Escalona		Oppose	No

Comments:

**LATE**

**HB-1636**

Submitted on: 1/23/2018 10:32:02 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alison Bekas		Oppose	No

Comments:

**LATE**

**HB-1636**

Submitted on: 1/23/2018 4:18:34 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jon Fia		Oppose	No

Comments:

I oppose HB1636. The tax on OTP is already outrageous and increasing it to 80% only drives what local sales to mailorder/online sales. Zero sales of 80% equals zero tax revenue. Case in point - Tobaccos of Hawaii HAD a store in Wahiawa where their primary sales was OTP products. They eventually lost the majority of their customers to online sales since they realized how much less expensive it was online since they didnt have any OTP tax passed down to them. Even with the added cost of shipping, it was still less expensive to order OTP online. As a result, Tobaccos of Hawaii Wahiawa store was forced to shut down. Jobs were lost, no excise or OTP tax for state revenues. Some mainland retailer is now enjoying our local dollars.

The only thing that raising the OTP will accomplish is driving more sales to out of state online sales. It will not increase revenue. In fact, it will do the opposite.

If the rationale to increase the OTP tax is to discourage use of OTP products, that wont work either. People that use OTP will continue to do so but just buy it somewhere else. Taxation should not be a tool to legislate behavior. If the "health" of the community is so important, just outlaw OTP altogether and be done with it. If the state is not willing do that, then allow the local retailers a fighting chance to sell a LEGAL product and earn some income. The state will benefit by recapturing lost tax revenue as well as excise revenue. Win/Win Situation.

Thank you for your time.