
A BILL FOR AN ACT

RELATING TO CIGARETTES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that a study published by
2 Theodore Slotkin, a neuroscientist at Duke University,
3 demonstrates that nicotine has a similarly harmful effect on
4 developing brains as chlorpyrifos, a chemical agent used in
5 pesticides that was banned in the State by Act 45, Session Laws
6 of Hawaii 2018. The legislature further finds that exposure to
7 nicotine in utero can cause serious harm to children, ranging
8 from death due to Sudden Infant Death Syndrome to learning and
9 behavioral problems later in life. In recognition of the damage
10 that nicotine can inflict on developing brains, Hawaii was the
11 first state to raise the legal smoking age to twenty-one in
12 2016.

13 In 2013, the federal Food and Drug Administration
14 contracted with the Institute of Medicine to convene a committee
15 to study the impact of raising the minimum age for purchase of
16 tobacco products to either twenty-one or twenty-five years. In
17 its study, the Institute of Medicine found that raising the



1 minimum age to twenty-five would lead to a significant decrease
2 in smoking prevalence as well as substantial reductions in
3 smoking-related mortality.

4 The legislature finds that the cigarette is considered the
5 deadliest artifact in human history. The cigarette is an
6 unreasonably dangerous and defective product, killing half of
7 its long-term users. Further, although the cigarette is
8 addictive by design due to the presence of nicotine, the tobacco
9 industry has further manipulated the design of cigarettes in
10 order to increase cigarette addiction and habituation.

11 The legislature also finds that smoking has killed one
12 hundred million people in the twentieth century and is likely to
13 kill one billion people in the twenty-first century. As of
14 2013, smoking has killed about six million people worldwide per
15 year, with hundreds of thousands of these deaths occurring in
16 the United States alone. In Hawaii, cigarettes have caused more
17 preventable disease, death, and disability than any other health
18 issue, each year claiming the lives of more than one thousand
19 four hundred adults and contributing to more than twenty
20 thousand premature deaths of minors.



1 The legislature recognizes that the United States Food and
2 Drug Administration has been given expanded powers to deal with
3 cigarettes and tobacco products, but has also been specifically
4 prohibited from increasing the minimum age for tobacco
5 purchases. Further, the legislature acknowledged that because
6 young smokers are more easily addicted and habituated to
7 cigarettes, in 2018, the State banned the sales of cigarettes to
8 those under twenty-one years of age.

9 The legislature finds that there are currently an estimated
10 one hundred fifty thousand adult smokers in the State. Studies
11 have shown that cigarette smokers who quit smoking cigarettes by
12 the time they reach thirty or even forty years of age have a
13 greatly increased chance at having a normal lifespan. The
14 legislature notes that quitting at fifty or sixty years of age
15 has a smaller effect, but ultimately does help to lengthen an
16 individual's lifespan by six and four years, respectively.

17 The legislature also finds that it is difficult for many
18 smokers to quit smoking, despite a willingness to quit and that
19 most smokers regret ever starting to smoke. This inability of a
20 smoker to quit smoking should be viewed as the result of the
21 carefully crafted power of the cigarette to create an addiction



1 in its users rather than as a weakness or failing on the part of
2 the smoker.

3 The legislature further finds that the taxation on tobacco
4 is a proven method of deterring tobacco use in certain
5 populations. Increased tobacco taxes, passed on to consumers in
6 the form of higher cigarette prices, provide an economic
7 disincentive to those who smoke or may be contemplating smoking.
8 Research and evidence strongly supports that increasing
9 cigarette prices through tobacco taxation is a powerful strategy
10 for achieving major reductions in smoking behavior among high-
11 risk populations.

12 Accordingly, the purpose of this Act is to increase the
13 excise tax for each cigarette sold, used, or possessed by a
14 wholesaler or dealer.

15 SECTION 2. Section 245-3, Hawaii Revised Statutes, is
16 amended by amending subsection (a) to read as follows:

17 "(a) Every wholesaler or dealer, in addition to any other
18 taxes provided by law, shall pay for the privilege of conducting
19 business and other activities in the State:

20 (1) An excise tax equal to 5.00 cents for each cigarette
21 sold, used, or possessed by a wholesaler or dealer



- 1 after June 30, 1998, whether or not sold at wholesale,
2 or if not sold then at the same rate upon the use by
3 the wholesaler or dealer;
- 4 (2) An excise tax equal to 6.00 cents for each cigarette
5 sold, used, or possessed by a wholesaler or dealer
6 after September 30, 2002, whether or not sold at
7 wholesale, or if not sold then at the same rate upon
8 the use by the wholesaler or dealer;
- 9 (3) An excise tax equal to 6.50 cents for each cigarette
10 sold, used, or possessed by a wholesaler or dealer
11 after June 30, 2003, whether or not sold at wholesale,
12 or if not sold then at the same rate upon the use by
13 the wholesaler or dealer;
- 14 (4) An excise tax equal to 7.00 cents for each cigarette
15 sold, used, or possessed by a wholesaler or dealer
16 after June 30, 2004, whether or not sold at wholesale,
17 or if not sold then at the same rate upon the use by
18 the wholesaler or dealer;
- 19 (5) An excise tax equal to 8.00 cents for each cigarette
20 sold, used, or possessed by a wholesaler or dealer on
21 and after September 30, 2006, whether or not sold at



- 1 wholesale, or if not sold then at the same rate upon
2 the use by the wholesaler or dealer;
- 3 (6) An excise tax equal to 9.00 cents for each cigarette
4 sold, used, or possessed by a wholesaler or dealer on
5 and after September 30, 2007, whether or not sold at
6 wholesale, or if not sold then at the same rate upon
7 the use by the wholesaler or dealer;
- 8 (7) An excise tax equal to 10.00 cents for each cigarette
9 sold, used, or possessed by a wholesaler or dealer on
10 and after September 30, 2008, whether or not sold at
11 wholesale, or if not sold then at the same rate upon
12 the use by the wholesaler or dealer;
- 13 (8) An excise tax equal to 13.00 cents for each cigarette
14 sold, used, or possessed by a wholesaler or dealer on
15 and after July 1, 2009, whether or not sold at
16 wholesale, or if not sold then at the same rate upon
17 the use by the wholesaler or dealer;
- 18 (9) An excise tax equal to 11.00 cents for each little
19 cigar sold, used, or possessed by a wholesaler or
20 dealer on and after October 1, 2009, whether or not



1 sold at wholesale, or if not sold then at the same
2 rate upon the use by the wholesaler or dealer;

3 (10) An excise tax equal to 15.00 cents for each cigarette
4 or little cigar sold, used, or possessed by a
5 wholesaler or dealer on and after July 1, 2010,
6 whether or not sold at wholesale, or if not sold then
7 at the same rate upon the use by the wholesaler or
8 dealer;

9 (11) An excise tax equal to 16.00 cents for each cigarette
10 or little cigar sold, used, or possessed by a
11 wholesaler or dealer on and after July 1, 2011,
12 whether or not sold at wholesale, or if not sold then
13 at the same rate upon the use by the wholesaler or
14 dealer;

15 (12) An excise tax equal to seventy per cent of the
16 wholesale price of each article or item of tobacco
17 products, other than large cigars, sold by the
18 wholesaler or dealer on and after September 30, 2009,
19 whether or not sold at wholesale, or if not sold then
20 at the same rate upon the use by the wholesaler or
21 dealer; [~~and~~]



1 (13) An excise tax equal to fifty per cent of the wholesale
 2 price of each large cigar of any length, sold, used,
 3 or possessed by a wholesaler or dealer on and after
 4 September 30, 2009, whether or not sold at wholesale,
 5 or if not sold then at the same rate upon the use by
 6 the wholesaler or dealer[-]; and

7 (14) An excise tax equal to cents for each cigarette
 8 sold, used, or possessed by a wholesaler or dealer on
 9 and after July 1, 2020, whether or not sold at
 10 wholesale, or if not sold then at the same rate upon
 11 the use by the wholesaler or dealer.

12 Where the tax imposed has been paid on cigarettes, little
 13 cigars, or tobacco products that thereafter become the subject
 14 of a casualty loss deduction allowable under chapter 235, the
 15 tax paid shall be refunded or credited to the account of the
 16 wholesaler or dealer. The tax shall be applied to cigarettes
 17 through the use of stamps."

18 SECTION 3. Statutory material to be repealed is bracketed
 19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect on July 1, 2050.

Report Title:

Cigarettes; Cigarette Tax; Excise Tax

Description:

Increases the excise tax to an unspecified amount for each cigarette sold, used, or possessed by a wholesaler or dealer. Effective 7/1/2050. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

