

Honolulu, Hawaii

FEB 28 , 2020

RE: H.B. No. 2726  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2726, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR,"

begs leave to report as follows:

The purpose of this measure is to:


- (1) Amend the definition of "cooler beverage" to include spirits-based beverages, to encourage local distilleries to produce ready-to-drink cocktails; and
- (2) Create a more equitable taxation scheme by establishing a separate tax rate on beer for small craft producer pubs.

Your Committee received testimony in support of this measure from BeerLab Hawaii, Three Peaks Island Craft Beer and Gifts, and Olomana Brewing Company. Your Committee received comments on this measure from the Department of the Attorney General; Department of Taxation; Tax Foundation of Hawaii; Waikiki Brewing Company; Big Island Brewhaus; Maui Brewing Co.; Kauai Beer Company; Kauai Island Brewing Company, LLC; Hawaiian Craft Brewers Guild; and Honolulu Beerworks.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2726, H.D. 1, and recommends that it pass Third Reading.

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

  
\_\_\_\_\_  
SYLVIA LUKE, Chair



