



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. 2101
RELATING TO TAXATION

SENATOR DONOVAN M. DELA CRUZ, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: February 11, 2020

Room Number: 211

1 **Fiscal Implications:** None

2 **Department Testimony:** The Department of Health (DOH) opposes Senate Bill 2101
3 (S.B. 2101) which proposes to amend §245-3, HRS by reducing the excise tax rate on sales of
4 large cigars from 50% of wholesale value to the lesser of: a) \$0.50 for each large cigar; or
5 b) 50% of the wholesale price of each large cigar after July 1, 2020.

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 U.S.
8 Surgeon General has declared that cigar smoke contains the same toxic substances as cigarette
9 smoke, with varying concentrations of these ingredients found in different types and sizes of
10 cigars.¹ The Federal Food and Drug Administration (FDA) states “all cigars are harmful and
11 potentially addictive (including small cigars, cigarillos, large cigars, and premium cigars). Cigar
12 smoking is strongly related to certain cancers (including oral, esophageal, laryngeal, and lung
13 cancers) and premature death. Cigar smoking can cause cancers of the mouth and throat, even
14 for smokers who do not inhale.”² Researchers at the FDA Center for Tobacco Products
15 published a study in 2019 stating “that nearly 200,000 cardiovascular conditions and cancer

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>

1 cases were attributable to exclusive cigar smoking among U.S. adults aged 35 years and older.”³
2 A large cigar may contain as much tobacco as a whole pack of cigarettes, and can deliver up to
3 ten times the nicotine, two times the tar, and more than five times the carbon monoxide of a
4 filtered cigarette.^{2,4}

5 Low cigar prices may also increase the number of youth and young adults who try cigars
6 and become addicted, as well as reducing the number of adult smokers who quit. A study
7 presented at the Society for Research on Nicotine and Tobacco provided preliminary evidence
8 that premium cigar use is increasingly being reported by young adults (18-29 years), and that
9 such use is not restricted to older adults.^{5,6} In the 2018 National Survey on Drug Use, adults
10 aged 18 to 25 years of age had the highest rate of initiating cigar use. Males, adult (8%) and high
11 school students (9%) are more likely to be cigar smokers.^{7,8}

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

17 Until recently, cigars had fewer federal regulations than cigarettes and other tobacco
18 products. This, along with their lower taxes, has resulted in increased popularity. While
19 cigarette smoking is declining across the nation, total consumption of large cigars increased

³ Rostron, B. L., Corey, C. G., & Gindi, R. M. (2019). Cigar smoking prevalence and morbidity among US adults, 2000-2015. *Preventive medicine reports*, 14, 100821. doi:10.1016/j.pmedr.2019.100821

⁴ 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.

⁵ 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).

⁶ Substance Abuse and Mental Health Services Administration, Results from 2018 National Survey on Drug Use and Health: <https://www.samhsa.gov/data/report/2018-nsduh-annual-national-report> [accessed 2020 Feb 6].

⁷ Substance Abuse and Mental Health Services Administration. [Results from the 2017 National Survey on Drug Use and Health: Substance Abuse and Mental Health Services Administration, Center for Behavioral Health Statistics and Quality, 2018](#) [accessed 2020 Feb 7].

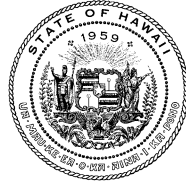
⁸ Centers for Disease Control and Prevention. Tobacco Product Use and Associated Factors Among Middle and High School Students—United States, 2019. [Morbidity and Mortality Weekly Report 2019;68\(12\):1-22](#) [accessed 2020 Feb 7].

1 dramatically between 2000 and 2015. Cigar consumption increased by 100% while cigarette
2 consumption declined by 40%.² In Hawaii, current adult cigar use tripled from 3.2% in 2006 to
3 10.8% in 2010.

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

9 Thank you for this opportunity to testify.

DAVID Y. IGE
GOVERNOR
JOSH GREEN M.D.
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

RONA M. SUZUKI
DIRECTOR OF TAXATION
DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

To: The Honorable Donovan M. Dela Cruz, Chair;
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair;
and Members of the Senate Committee on Ways and Means

From: Rona M. Suzuki, Director
Department of Taxation

Re: **S.B. 2101, Relating to the Taxation**
Date: Tuesday, February 11, 2020
Time: 10:30 A.M.
Place: Conference Room 211, State Capitol

The Department of Taxation (Department) offers the following comments regarding S.B. 2101. S.B. 2101 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. This rate change would take effect on July 1, 2020.

The Department is able to administer the changes in this measure, and requests that any change to the tobacco tax rate be made effective no earlier than January 1, 2021 to allow the Department to make the necessary form and computer system changes and inform taxpayers.

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: SB 2101

INTRODUCED 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, 2020.

SYNOPSIS: 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, 2020.

EFFECTIVE DATE: July 1, 2020.

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, 2020.

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 be negatively impacted by a reduction of this tax.

Digested 2/6/2020



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Testimony STRONGLY OPPOSING SB 2101, “Relating To Taxation”

The American Heart Association STRONGLY OPPOSES SB 2101, “Relating to Taxation.”

Cigar use is a significant public health concern. Cigars—just like cigarettes and other tobacco products—are not safe. Cigar smoking exposes users to toxic chemicals; causes cancer of the oral cavity, larynx, esophagus, and lung; and increases risk for heart disease, chronic obstructive pulmonary disease, and aortic aneurysm. Exposure to secondhand cigar smoke also places nonsmokers at risk.

Cigars are Under Taxed & Less Restricted. The federal government and almost all of the states compound these problems by sharply under-taxing cigars compared to cigarettes, often making smaller cigars a less-expensive alternative to cigarettes. Moreover, many laws and restrictions pertaining to cigarettes – such as federal laws banning flavored cigarettes, blocking illegal Internet sales and restricting cigarette marketing – do not apply to cigars.

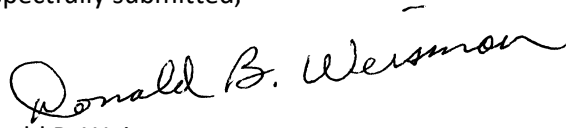
The federal government enacted the 2009 federal law, the Family Smoking Prevention and Tobacco Control Act, prohibiting the sale of cigarettes with characterizing flavors other than menthol or tobacco, including candy and fruit flavors. However, this prohibition did not apply to other tobacco products. In recent years, tobacco companies have significantly stepped up the introduction and marketing of flavored noncigarette tobacco products, especially electronic cigarettes (e-cigarettes) and cigars. Sales of flavored cigars have increased by nearly 50 percent since 2008, and flavored cigars made up more than half (52.1 percent) of the U.S. cigar market in 2015. Further, the number of unique cigar flavor names more than doubled from 2008 to 2015, from 108 to 250. While there has been a steep drop in youth use of traditional cigarettes, overall youth use of any tobacco product has remained steady in recent years due to the popularity of tobacco products like cigars and e-cigarettes – products that are predominantly flavored. From 2011 to 2015, current use of e-cigarettes among high school students increased more than tenfold – from 1.5 percent to 16 percent. It would be naïve to think that cutting or capping the price of cigars in Hawaii will not result in increased use of those products by our youths who are especially price sensitive and lured by tobacco products that are cheaper than cigarettes.

In fact, Hawaii tax data shows that while cigarette net tax revenue declined by \$5,850,113 in FY 2019, net tax revenue from cigar sales actually rose by \$17,636, indicating a need to not only stay the course on these taxes, but to begin considering actually raising them to serve as a dissuasion to young people considering experimentation with these lethal products.

Because of these reasons, the AHA strongly opposes suggestions that cigar taxes be capped or reduced. If anything, cigar taxes should be increased to create parity with cigarette taxes in Hawaii.

The American Heart Association urges legislators to oppose SB 2101.

Respectfully submitted,

A handwritten signature in black ink that reads "Donald B. Weisman". The signature is written in a cursive style with a prominent loop at the beginning of the name.

Donald B. Weisman

Hawaii Government Relations/Communications Director

SB-2101

Submitted on: 2/8/2020 7:38:23 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Kohn MD	Testifying for We Are One, Inc. - www.WeAreOne.cc - WAO	Oppose	No

Comments:

Strongly Oppose SB2101

- Cigars are tobacco products, and there is no public health reason to lower or cap the tax on any tobacco product.
- Tobacco taxes are a proven strategy that discourages use of these products, especially among price-sensitive youth.
- Cigar smoking causes cancer, heart disease and chronic obstructive pulmonary disease.
- Large cigars can contain more nicotine, tar, and carbon monoxide than cigarettes.

These products are marketed in a variety of flavors and at cheap prices to entice kids. This is a price we can't afford and a step backwards for our state!

www.WeAreOne.cc

hawaiiCigar

ASSOCIATION

To: The Honorable Donovan M. Dela Cruz, Chair
and Members of the Senate Committee on Ways and Means

Date: Tuesday, February 11, 2020
Time: 10:30 a.m.
Place: Conference Room 211, State Capitol

From: Les Drent
for Hawaii Cigar Association

Re: SB 2101 (Relating to Taxation)

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

The Hawaii Cigar Association (HCA) SUPPORTS SB2101, a bill that places a tax cap of 50¢ on large cigars.

The current wholesale tax of 50% incentivizes consumers to buy cheaper cigars from unlicensed sources outside the state, or purchase cigars through the black market.

For seven years the HCA has asked the legislature to revise this burdensome Hawaii tax code, which continues to disadvantage 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 state of Hawaii also continues to lose an unknown amount of revenue as a result of uncollected taxes.

Thank you for your consideration.

Kind Regards,



Les Drent
for the Hawaii Cigar Association



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Date: February 10, 2020

To: Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Members of the Committee on Ways and Means

Re: Strong Opposition for SB 2101, Relating to Taxation

Hrg: February 11, 2020 at 10:30 AM at Conference Room 211

The Coalition for a Tobacco-Free Hawai'i, a program of the Hawai'i Public Health Instituteⁱ is in **Strong Opposition of SB 2101** 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.

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. 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.

Changing the tax rate promotes regulatory and tax loopholes. The Coalition has been fighting this legislation for the last seven years. Large cigars are already taxed 20% less than other tobacco productsⁱⁱ. 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 litterⁱⁱⁱ. 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.

Cigars appeal to kids. 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 December 2019 finds that 80%, or 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^{iv}.

Lowering or capping taxes on any tobacco product sends the wrong public health message. Hawai'i is considered a vanguard state in the nation with our current smoke-free and tobacco control laws protecting our resident 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 must continue.

Thank you for the opportunity to testify. We strongly oppose SB 2101 and respectfully ask you to hold this bill in committee.

Mahalo,



Jessica Yamauchi, MA
Executive Director

ⁱ 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 Hawai'i Public Health Institute is a hub for building healthy communities, providing issue-based advocacy, education, and technical assistance through partnerships with government, academia, foundations, business, and community-based organizations.

ⁱⁱ 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

ⁱⁱⁱ 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>

^{iv} This study by Ward Research, Inc. summarizes findings from a phone survey among n=807 Hawaii registered voters (maximum sampling error +/-3.3%), conducted between November 7 and December 4, 2019.

February 10, 2020

TO: Chair Donovan M. Dela Cruz
Vice Chair Gilbert S.C. Keith-Agaran
Members of the Senate Committee on Ways and Means

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

RE: **SB 2101** - Relating to Taxation
Hearing Date: February 11, 2020
Time: 10:30 am

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

CAA **supports SB 2101** 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.



LATE

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 Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair

SB 2101 – 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 2101, which changes the excise tax rate on large cigars by setting the maximum tax at \$.50 per large cigar.

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.

LATE



Cigar Rights of America, Hawai'i

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 2101 (SB 2843)** written only as an excise tax cap on large or premium cigars.

As a large premium cigar consumer and enthusiast **SB 2101** 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 2101** 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.

Also, large premium cigars are already strictly regulated at the Federal level by FDA and at the State level with regard to age verification and preventing youth from purchasing large premium cigars. Large premium cigars are not marketed toward youth. The local, small businesses that retail large premium cigars conform strictly to those Federal and State laws preventing youth from purchasing these adult, legal products.

In addition, **SB 2101** is purely a 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 2101** 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
Concerned Constituent, Consumer
Cigar Rights of America Ambassador

LATE



10 February 2020

**Re: Testimony in Opposition to SB2101
Relating to Taxation**

Senate Committee on Ways and Means

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair,

Blue Zones Project - Hawaii is strongly opposed to this bill for the following reasons:

- **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.** Large cigars are already taxed 20% less than other tobacco products^[1]. 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.

Blue Zones Project was brought to Hawaii by HMSA to help increase the overall well-being of our communities and to make Hawaii a healthier, happier place to live, work and play. To accomplish that goal, we work with people, places, and policies in areas of well-being including better access to our natural and built environment resources.

Blue Zones Project, has worked with our community partners statewide since 2012. Initiatives such as this slow down the progress our many partners have made to make the communities we live in even better healthier places to live, work and play.

Blue Zones Project strongly opposes this bill and asks that it be removed from consideration.

Please contact me with any questions at Crystal.Robello@Sharecare.com.

Sincerely,

Crystal Robello
Community Engagement Lead
Blue Zones Project

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SB-2101

Submitted on: 2/6/2020 4:35:52 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
C. Azelski	Individual	Oppose	No

Comments:

These products are marketed in a variety of flavors and at cheap prices to entice young adults. Please ensure the cigar tax remains at a level that will help prevent tobacco use.

SB-2101

Submitted on: 2/6/2020 4:38:01 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathryn Braun	Individual	Oppose	No

Comments:

I am a professor of Public Health, testifying as an individual. My grandfather smoked cigars all day long. Not only did they ruin his health, but his wife (my grandmother) also died prematurely from lung cancer. I missed out on having them around.

Large cigars can contain more nicotine, tar, and carbon monoxide than cigarettes. They are not good for people, and they are not good for our community. Keeping a high rate of taxation on cigars will help protect youth and adults from a lifetime of addiction and subsequent disease, which is costly to families and to the state.

Please oppose this bill.

SB-2101

Submitted on: 2/6/2020 4:42:59 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Shelly Ogata	Individual	Oppose	No

Comments:

As a public health nurse and a community member, I am absolutely opposed to lowering the tax on cigars.

- Cigars are tobacco products, and there is no public health reason to lower or cap the tax on any tobacco product.
- Tobacco taxes are a proven strategy to discourage use of these products, especially among price-sensitive youth.
- Cigar smoking causes cancer, heart disease and chronic obstructive pulmonary disease.

Large cigars can contain more nicotine, tar, and carbon monoxide than cigarettes!

There is absolutely no good reason to lower the tax.

SB-2101

Submitted on: 2/6/2020 5:35:38 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Patricia Blair	Individual	Oppose	No

Comments:

SB-2101

Submitted on: 2/6/2020 5:39:36 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth Winternitz	Individual	Oppose	No

Comments:

- Cigars are tobacco products, and there is no public health reason to lower or cap the tax on any tobacco product.

SB-2101

Submitted on: 2/6/2020 9:06:57 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Ching, MD, MPH	Individual	Oppose	No

Comments:

I oppose a reduction in taxes on large cigars.

Date: February 6, 2020

To: The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran , Vice Chair
Members of the Senate Committee on Ways and Means

Re: **Strong Opposition to SB2101**, Relating to Taxation

Hrg: February 11, 2020 at 10:30 AM in Capitol Room 211

Aloha Senate Committee on Ways and Means,

As a parent, educator and health professional, I am writing in **strong opposition to SB2101**, which would amend the excise tax rate on large cigars.

Cigars are tobacco products and are not a safe alternative to cigarettes. Large cigars can contain more nicotine, tar, and carbon monoxide than cigarettes. Cigars vary widely in size, flavor and packaging that make them appealing and appear less harmful to broader audiences, including kids.

According to the National Cancer Institute (NCI) and the US Surgeon General, cigar smoking causes cancers of the lip, tongue, mouth and throat, larynx, esophagus and lungs, as well as heart disease and chronic obstructive pulmonary disease (COPD). Cigar smoke contains the same toxins as cigarette smoke, and many new cigar products are made to be more easily smoked and inhaled.

Large cigars are already taxed at lower rates than other tobacco products. Reducing the tax on large cigars will make these products more affordable to price-sensitive youth and encourage those smoking cigarettes to switch to cigars, rather than quit. Additionally, lowering the tax may make it more tempting for teens to start smoking.

Hawai'i ranks among the highest states in the nation on passing smoke-free and tobacco control laws protecting our residents, especially our keiki. Lowering or capping taxes on any tobacco product sends the wrong public health message.

Hawai'i has been leading the way in tobacco control, and this bill is a step backwards for our State.

I **strongly oppose SB2101** and respectfully ask you to hold this bill in committee.

Many thanks for your consideration,

Forrest Batz, PharmD
Kea'au, HI

SB-2101

Submitted on: 2/6/2020 9:11:54 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ann S Freed	Individual	Oppose	No

Comments:

SB-2101

Submitted on: 2/7/2020 9:00:23 AM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chien-Wen Tseng	Individual	Oppose	No

Comments:

As a family physician dedicated to our community, I respectfully ask that this bill to lower or cap cigar taxes be opposed. Cigars contain the same addictive nicotine that is found in cigarettes (and vape product), and smoking cigars is harmful to the smoker's health.

Mahalo.

SB-2101

Submitted on: 2/7/2020 9:24:31 AM

Testimony for WAM on 2/11/2020 10:30:00 AM

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

Comments:

02-07-20

RE: SB2101

I oppose this Bill because I see no public health reason to lower or cap taxes on any tobacco product. This opposition is about my steadfast advocacy for public policy that helps to prevent tobacco use, in any form. So, why would I advocate for the lower or capping of a tax that makes cigars cheaper!

John A. H. Tomoso+, MSW

51 Ku'ula Street, Kahului, HI 96732-2906

CC: CTFH-Maui

SB-2101

Submitted on: 2/7/2020 11:58:21 AM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin Cassel	Individual	Oppose	No

Comments:

Cigars are tobacco products, and there is no public health reason to lower or cap the tax on any tobacco product.

- Tobacco taxes are a proven strategy that discourages use of these products, especially among price-sensitive youth.
- Cigar smoking causes cancer, heart disease and chronic obstructive pulmonary disease.
- Large cigars can contain more nicotine, tar, and carbon monoxide than cigarettes.

SB-2101

Submitted on: 2/7/2020 1:19:19 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael deYcaza	Individual	Oppose	No

Comments:

My dad started smoking cigarettes at age 13. At age 45 he had his first heart attack. The doctors told him he needed to quit smoking cigarettes. So he quit cigarettes and started smoking little cigars.. Tiparillos.. Two years later he had his second heart attack which killed him.

SB-2101

Submitted on: 2/7/2020 3:07:09 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Diane Neubert	Individual	Oppose	Yes

Comments:

It is crazy to even think of lowering taxes on any tobacco products in this day and age when it is so clear what tobacco costs our society in the terms of health care costs.

SB-2101

Submitted on: 2/10/2020 8:14:07 AM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Molly Mamaril	Individual	Oppose	No

Comments:

Aloha WAM Committee,

I hope you are well. I am writing in opposition to lowering the proposed tax rate on large cigars.

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. Large cigars are already taxed 20% less than other tobacco products. 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.

Mahalo for your time and consideration,

Molly Mamaril

SB-2101

Submitted on: 2/7/2020 4:24:01 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cyd L. Hoffeld	Individual	Oppose	No

Comments:

Aloha Chair Senator Donovan M. Dela Cruz, Vice Chair Senator Gilbert S.C. Keith-Agaran and Committee members,

As a health promotions manager on Hawai'i Island, I **strongly oppose SB2101**. Any measure that would make a tobacco product that is known to cause oral cavity cancers (cancers of the lip, tongue, mouth and throat) and cancers of the larynx, esophagus and lung more affordable to price-sensitive adults and youth should be **opposed**.

Not only do these harmful products cause cancers, they increase heart disease and chronic obstructive pulmonary disease (COPD) and negatively affect blood pressure which could lead to blood clots and strokes.

If we want a healthier Hawai'i creating policies that are proven to work like increasing tobacco taxes, raising the age of purchasers, and eliminating flavored tobacco including menthol will lead to our goal of a smoke-free and healthy Hawai'i.

Mahalo for the opportunity to testify in **strong opposition** of this bill.

SB-2101

Submitted on: 2/8/2020 8:18:43 AM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Diane Y Omura	Individual	Oppose	No

Comments:

We can't allow the passage of this bill as it will halt the years of progress in reducing the smoking of such products.

SB-2101

Submitted on: 2/7/2020 6:33:32 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Marie Flore Cidera	Individual	Oppose	No

Comments:

Hello,

I believe that with all the efforts put into restricting nicotine products from the market and ultimately from the youth population, that the trend should continue. We need to protect them from the harmful effects of ALL nicotine products. If this is not done then cigars would be their next line of tobacco product to use, however, cigars are no better than flavored tobacco. We wish to see healthy youths in our community, who grow up to become healthy adults. removing tobacco from the industry is one way of obtaining that goal.

Thank you,

Marie C.

SB-2101

Submitted on: 2/8/2020 4:12:58 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Bryan Mih	Individual	Oppose	No

Comments:

As a pediatrician and medical director of the Kapi'olani Smokefree Families Program, I strongly oppose this bill, which would reduce the tax on large cigars.

Cigars are tobacco products, just like cigarettes, and have the same harmful effects. They are strongly addictive. The secondhand smoke is toxic and contains many cancer causing chemicals. Cigars vary widely in sizes, flavor, and packaging that make them appealing and appear less harmful to broader audiences including kids. Cigar smoking causes cancer, heart disease and chronic obstructive pulmonary disease (COPD). Large cigars can contain more nicotine, tar, and carbon monoxide than cigarettes.

Tobacco use is still the leading cause of preventable death in the United States and in Hawai'i. It costs our state over \$336 million in healthcare expenditures every year. Tobacco impacts both smokers and those exposed to secondhand smoke. Smokers can suffer from cancer, cardiovascular disease, and lung disease. More than 1,000 people die in Hawai'i every year from tobacco use. Many more of our keiki suffer from respiratory illnesses, asthma, and additional hospitalizations due to secondhand tobacco smoke.

Lowering or capping taxes on any tobacco product sends the wrong public health message. 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. Further, lowering the tax will make it even more appealing for teens to start smoking.

For the health of our keiki and everyone in Hawaii, I strongly oppose this bill.

SB-2101

Submitted on: 2/9/2020 10:20:27 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Crystal Robello	Individual	Oppose	No

Comments:

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. Large cigars are already taxed 20% less than other tobacco products[i]. 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.

SB-2101

Submitted on: 2/10/2020 7:34:52 AM

Testimony for WAM on 2/11/2020 10:30:00 AM

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

Comments:

SB-2101

Submitted on: 2/10/2020 8:25:53 AM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Megan Tabata	Individual	Oppose	No

Comments:

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. Large cigars are already taxed 20% less than other tobacco products. 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.

LATE

SB-2101

Submitted on: 2/10/2020 12:59:58 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Laksmi M Abraham	Individual	Oppose	No

Comments:

Aloha,

I strongly oppose SB2101.

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. Large cigars are already taxed 20% less than other tobacco products[i]. 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.

Please oppose SB2101.

Mahalo,

Laksmi Abraham - Waikapu, Maui

LATE

SB-2101

Submitted on: 2/10/2020 1:20:54 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dory Kong	Individual	Support	No

Comments:

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 2101 (SB 2843)** written only as an excise tax cap on large or premium cigars.

As a large premium cigar consumer and enthusiast **SB 2101** 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 2101** 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.

Also, large premium cigars are already strictly regulated at the Federal level by FDA and at the State level with regard to age verification and preventing youth from purchasing large premium cigars. Large premium cigars are not marketed toward youth. The local, small businesses that retail large premium cigars conform strictly to those Federal and State laws preventing youth from purchasing these adult, legal products.

In addition, **SB 2101** is purely a proposed tax bill; 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 2101** written only as an excise tax cap on large or premium cigars.

Thank you for your time and attention on this taxation matter.

Sincerely,

Ms. Dory Kong

LATE

SB-2101

Submitted on: 2/10/2020 1:54:39 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Karen Teshima	Individual	Oppose	No

Comments:

LATE

SB-2101

Submitted on: 2/10/2020 2:18:24 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kristin Mills	Individual	Oppose	No

Comments:

Taxes discourage use of this harmful product. We need to keep taxes same or higher, not lower. We especially need these taxes to dissuade youth from using these products.

LATE

SB-2101

Submitted on: 2/10/2020 2:43:20 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Colby Takeda	Individual	Oppose	No

Comments:

LATE

SB-2101

Submitted on: 2/10/2020 4:43:46 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

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

Comments:

LATE

SB-2101

Submitted on: 2/10/2020 8:37:37 PM

Testimony for WAM on 2/11/2020 10:30:00 AM

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.

I am writing to you today as a voting constituent and consumer of large premium cigars. I urge you to SUPPORT and vote AYE on Senate Bill 2101 (SB 2843) written only as an excise tax cap on large or premium cigars.

As a large premium cigar consumer and enthusiast SB 2101 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 2101 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 including the general excise tax that is also lost to internet/mail order sales.

Also, large premium cigars are already strictly regulated at the Federal level by FDA and at the State level with regard to age verification and preventing youth from purchasing large premium cigars. Large premium cigars are not marketed toward youth. In fact, youth arent interested in large premium cigars simply cause they are too expensive. Youth arent going to pay 10.00+ per cigar. The local, small businesses that retail large premium cigars conform strictly to those Federal and State laws preventing youth from purchasing these adult, legal products.

In addition, SB 2101 is purely a proposed tax bill; 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 2101 written only as an excise tax cap on large or premium cigars.

Thank you for your time and attention on this taxation matter.

Sincerely,

Jon Fia

Concerned Constituent, Consumer