

SB887

Measure Title:	RELATING TO TOBACCO TAXES.
Report Title:	Cigarette and Tobacco Tax; Increase; Health Care Increases the cigarette and tobacco tax by five cents.
Description:	Specifies revenue increases to be dedicated to specified health improvement purposes.
Companion:	
Package:	None
Current Referral:	CPH, WAM
Introducer(s):	KANUHA, K. KAHELE, K. RHOADS, Shimabukuro

DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF TAXATION**

830 PUNCHBOWL STREET, ROOM 221

HONOLULU, HAWAII 96813

<http://tax.hawaii.gov/>

Phone: (808) 587-1540 / Fax: (808) 587-1560

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To: The Honorable Rosalyn H. Baker, Chair
and Members of the Senate Committee on Commerce, Consumer Protection, and
Health

Date: Wednesday, February 13, 2019
Time: 9:10 A.M.
Place: Conference Room 229, State Capitol

From: Linda Chu Takayama, Director
Department of Taxation

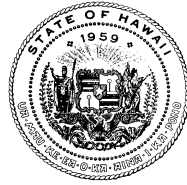
Re: S.B. 887, Relating to Tobacco Taxes

The Department of Taxation (Department) provides the following comments regarding S.B. 887 for your consideration.

S.B. 887 raises the tax on cigarettes and little cigars from 16 cents per cigarette or little cigar to 21 cents per cigarette or little cigar, effective for cigarettes and little cigars sold on or after July 1, 2019. This measure also amends the allocation of cigarette stamp tax revenue.

Due to the Cigarette and Tobacco Tax under Chapter 245, Hawaii Revised Statutes, being modernized currently as part of this year's rollout of the Department's Tax System Modernization, and due to the need to coordinate with vendors to provide new cigarette stamps for purchase by wholesalers and dealers, the Department respectfully requests any amendment to cigarette stamp tax rates be made effective no earlier than July 1, 2020.

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 COMMENTING on S.B. 887
RELATING TO TOBACCO TAXES**

SENATOR ROSALYN H. BAKER, CHAIR
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH
Hearing Date: February 13, 2019 Room Number: 229

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

3 **Department Testimony:** DOH supports the increase in excise tax for cigarettes and little cigars
4 as an effective public health measure to reduce smoking and prevent youth initiation of smoking.
5 The Department is not commenting on the allocation of funds resulting from the increased
6 revenues.

7 According to the U.S. Surgeon General, increasing the price of tobacco products is the
8 single most effective way to reduce consumption.ⁱ A ten percent increase in price has been
9 estimated to reduce overall cigarette consumption by three to five percent.ⁱⁱ Research suggests
10 that both youth and young adults are two to three times more likely to respond to increases in
11 price than adults.ⁱⁱⁱ Moreover, studies show that raised cigarette prices have effectively reduced
12 smoking among some ethnic minorities, lower-income smokers, and pregnant women.^{iv,v}

13 On both federal and state levels, increases in tobacco taxes have generated more calls to
14 quitlines. After the 2009 federal tobacco tax increase passed, calls to the national quitline (1-
15 800-QUIT-NOW), increased by 30 percent in the year following as compared to the year prior.^{vi}
16 After Oklahoma passed a \$1.00 increase per cigarette pack tax in July 2018, the state's Tobacco
17 Helpline saw an increase of 85 percent in registrations in the first month compared to the same
18 time the year prior.^{vii} Wisconsin experienced a record-breaking 20,000 calls in the first two
19 months after it passed a \$1.00 increase per cigarette pack tax, whereas it typically received 9,000
20 calls per year.^{viii}

1 Hawaii currently has the sixth highest tax rate in the nation.^{ix} The proposed tax increase
2 would elevate Hawaii's tax rate from \$3.20 per cigarette pack to \$4.20 per pack. The last time
3 there was a tax increase on cigarettes in Hawaii was in 2011 when taxes were raised from 15
4 cents per stick in 2010 to 16 cents per stick in 2011. The Department supports S.B. 887 to
5 reduce the public health burden of tobacco use and cigarette consumption which are still the
6 leading causes of preventable chronic disease and early death. The Department defers to the
7 DOTAX regarding allocation of revenues to the designated special funds.

8 Thank you for the opportunity to testify.

ⁱ 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].

ⁱⁱ Ibid

ⁱⁱⁱ Ibid

^{iv} See, e.g., CDC, "Responses to Cigarette Prices By Race/Ethnicity, Income, and Age Groups – United States 1976-1993," *Morbidity and Mortality Weekly Report* 47(29):605-609, July 31, 1998, <http://www.cdc.gov/mmwr/preview/mmwrhtml/00054047.htm>. Chaloupka, FJ & Pacula, R, An Examination of Gender and Race Differences in Youth Smoking Responsiveness to Price and Tobacco Control Policies, National Bureau of Economic Research, Working Paper 6541, April 1998. Oredein, T & Foulds, J, "Causes of the Decline in Cigarette Smoking Among African American Youths From the 1970s to the 1990s," *American Journal of Public Health* e1-e11, doi:10.2105/AJPH.2011.300289, August 18, 2011.

^v Ringel, J & Evans, W, "Cigarette Taxes and Smoking During Pregnancy," *American Journal of Public Health* 91(11):1851-6, 2001. See also, TFK Factsheet, Harm Caused by Pregnant Women Smoking or Being Exposed to Secondhand Smoke, <http://www.tobaccofreekids.org/research/factsheets/pdf/0007.pdf>.

^{vi} Analysis of data from calls to 1-800-QUIT-NOW. Retrieved from Campaign for Tobacco-Free Kids. Raising Cigarette Taxes Reduces Smoking, Especially Among Kids (And the Cigarette Companies Know It). December 11, 2018. Retrieved February 11, 2019 from <https://www.tobaccofreekids.org/assets/factsheets/0146.pdf>

^{vii} Collins, E, "Tobacco tax hike has more Oklahoma smokers trying to quit," KOKH, August 9, 2018, <https://ktul.com/news/local/tobaccotax-hike-has-more-oklahomans-trying-to-quit>.

^{viii} "Calls to Wisconsin Tobacco Quit Line breaks all records," *The Dunn County News*, March 12, 2008. Retrieved from Campaign for Tobacco-Free Kids. Raising Cigarette Taxes Reduces Smoking, Especially Among Kids (And the Cigarette Companies Know It). December 11, 2018. Retrieved February 11, 2019 from <https://www.tobaccofreekids.org/assets/factsheets/0146.pdf>

^{ix} Campaign for Tobacco-Free Kids. State Cigarette Excise Tax Rates & Rankings. December 21, 2018.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented Before the
Senate Committee on Commerce, Consumer Protection and Health
Wednesday, February 13, 2019 at 9:10 a.m.

By

Randall F. Holcombe, MD, MBA
Director, University of Cancer Center

And

Michael Bruno, PHD
Vice Chancellor for Research
University of Hawai'i at Mānoa

SB 887 – RELATING TO TOBACCO TAXES

Chair Baker, Vice Chair Chang, and members of the committee:

The University of Hawai'i Cancer Center (UH Cancer Center) does not support this Bill as written and proposes consideration of amendment.

The UH Cancer Center is one of only 70 institutions in the U.S. that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

The UH Cancer Center is a leader nationally in research focused on tobacco control and tobacco-related cancer prevention. Faculty at the UH Cancer Center have been recognized as international leaders in research into the health effects of e-cigarettes and have been selected as members of National commissions engaged in policy recommendations.

While the UH Cancer Center supports the premise of increasing tobacco taxes as a way to reduce consumption and thereby mitigate the adverse effects of tobacco products, the bill as written will have a detrimental effect on the UH Cancer Center and preclude expansion of smoking related cancer prevention research and community outreach.

The "Cigarette Tax" provides revenue to support UH Cancer Center operations. When first enacted, revenue to the Cancer Center totaled approximately \$19,000,000 per year. With the decrease in smoking in the State, due to efforts by the Cancer Center, the Department of Health and the tax itself, the revenue to the Cancer Center has been markedly reduced and in FY18 totaled \$13,800,000. However, the bond costs and costs of maintenance, utilities, facilities support and other building expenses totals approximately \$14,300,000 per year. Therefore, the Cigarette Tax does not support the

Cancer Center building, with an annual deficit of \$500,000, and provides no support at all for the Cancer Center programs, including its tobacco control efforts.

The Cigarette Tax has been amended on several occasions in the past as revenue has fallen due to a reduction in tobacco use by Hawai'i residents. However, the UH Cancer Center has not had an increase above 2 cents per cigarette since the initial legislation was passed.

If SB 887 is passed in its current form, there will be a further reduction in tobacco use, which is a laudable outcome. However, there will also be a substantial decrease in revenue to the UH Cancer Center. This will lead to a new operational budget deficit which the current administration has worked so assiduously to eliminate.

We are recommending that SB 887 be amended and the distribution to the UH Cancer Center be increased to 3 cents per cigarette. This will allow for sustainable fiscal operations at the only NCI designated cancer center in the Pacific. In addition, any portion of the UH Cancer Center distribution not required for building related operations will be allocated directly to support tobacco and cancer prevention research efforts that will greatly benefit the people of Hawai'i.

Thank you for the opportunity to provide testimony on this Bill.

SB-887

Submitted on: 2/11/2019 9:39:49 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Elena Cabatu	Testifying for East Hawaii Region of Hawaii Health Systems Corporation	Support	No

Comments:

On behalf of the East Hawaii Region of Hawaii Health Systems Corporation, consisting of Hilo Medical Center, Hale Ho'ola Hamakua in Honoka'a, Ka`u Hospital and our 13 specialty clinics, please accept our support for SB887 to increase the cigarette and tobacco tax, and to allocate the resulting increase in revenues to augment the supply of physicians, fund the Hawaii Health Systems Corporation, and increase funding for community health centers. Mahalo



HIPHI Board

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and Human Resources

Catherine Taschner, JD
McCorriston Miller Mukai
MacKinnon LLP

JoAnn Tsark, MPH
John A. Burns School of
Medicine, Native Hawaiian
Research Office

En Young, MBA
Sansei, Lanai

Date: February 12, 2019

To: Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair
Members of the Commerce Consumer Protection and Health
Committee

Re: Support for SB887, Relating to Tobacco Taxes

Hrg: February 13, 2019 at 9:10am at Conference Room 229

The Coalition for a Tobacco-Free Hawai'i, a program of the Hawai'i Public Health Instituteⁱ is in **Support of SB 887** which increases the cigarette tax by five cents and specifies revenue increases to be dedicated to specified health improvement purposes.

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 eight years and for other tobacco products, other than large cigars, the last tax increase occurred in 2009.

Majority of registered Hawai'i voters support an increase in cigarette taxes (74%) and nine in ten registered voters (94%) feel that it is important for the State to dedicate part of its revenue to tobacco prevention and cessation programsⁱⁱ. 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. We humbly ask that a portion of the proposed tobacco tax revenue be dedicated to tobacco prevention and cessation programs.

Tobacco use is still the number one preventable cause of death and costs our State \$526 million annually. Raising tobacco taxes encourages people to quit smoking.

The Coalition supports SB887 and asks you to pass this measure out of 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

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 This study by Ward Research, Inc. summarizes findings from a phone survey among n=804 Hawaii registered voters (maximum sampling error +/-3.3%), conducted between October 8 and November 2, 2018.



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

Senate Committee on Commerce, Consumer Protection, and Health
Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair

SB 887 – RELATING TO TOBACCO TAXES

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

Thank you for the opportunity to provide testimony in support of SB 887, which increases the excise tax on cigarettes and little cigars sold on or after July 1, 2019, to twenty-one cents per each cigarette or little cigar sold with proceeds funding public health initiatives.

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.

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.

- Significant increases in the price of cigarettes leads to a reduction in overall cigarette consumption and a reduction in youth consumption.
- Low-income adults, youth, and pregnant women are especially likely to quit or reduce their smoking when the price increases.
- Lower smoking rates translate into fewer smoking-related cancers and premature deaths, reduced spending on smoking-related health problems, and more productive workers.

Small tax increase amounts do not produce significant public health benefits or cost savings because tobacco companies can easily offset the beneficial impact of such small increases with temporary price cuts, coupons, and other promotional discounting. Increasing the tax rate with inflation will also help to ensure that the public health and revenue benefits of the tax increase do not diminish as quickly over time.

Thank you for the opportunity to provide testimony on this measure.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, Increase Tobacco Tax Rate on Cigarettes and Little Cigars

BILL NUMBER: SB 887

INTRODUCED BY: KANUHA, K. KAHELE, K. RHOADS, Shimabukuro

EXECUTIVE SUMMARY: This is a 30%+ tax increase beginning on 7/1/19 on cigarettes and little cigars. The increased taxes are having an effect on consumption, which means the tax cannot be expected to produce stable funding. Lawmakers may want to consider direct appropriations to programs now being supported by earmarks from this tax.

SYNOPSIS: Amends HRS 245-3 to increase the tax on cigarettes and little cigars to 20 cents per unit sold, used, or possessed by the wholesaler or dealer on and after 7/1/16.

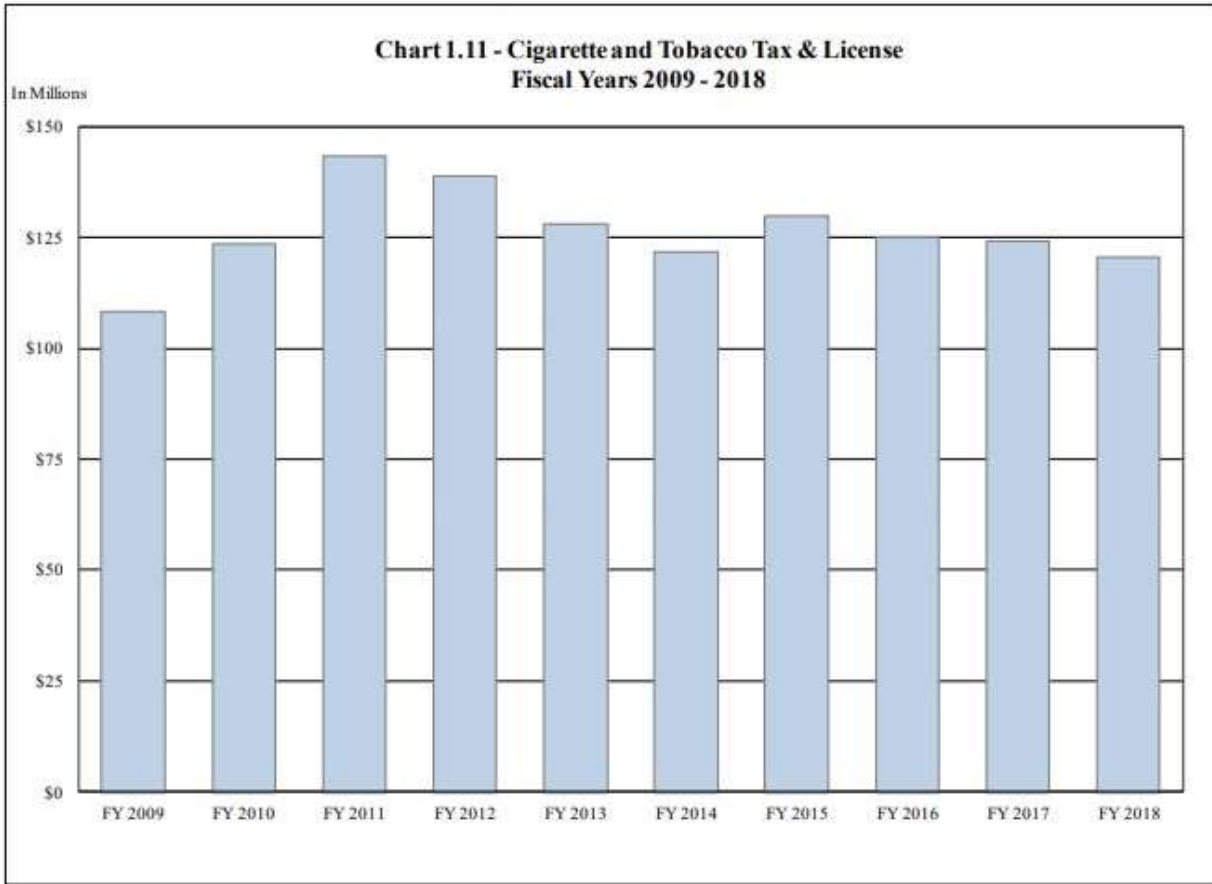
Amends HRS section 245-15 to provide that the revenue generated under the rate increase shall be distributed as follows:

- 2.0 cents per unit to the Hawaii cancer research special fund (same as current law);
- 1.125 cents per unit, but not more than \$7,400,000 in a fiscal year, to the trauma system special fund (same as current law);
- 2.92 cents per unit, but not more than \$8,800,000 in a fiscal year, to the community health centers special fund (up from 1.25 cents);
- 1.25 cents per unit, but not more than \$8,800,000 in a fiscal year, to the emergency medical services special fund (same as current law);
- 1.67 cents per unit, with no maximum, to a special account of the state general fund for expenditure to repay medical school loans of graduates of the John A. Burns school of medicine, who practice in primary care in the medically underserved population areas of this State, as determined by the John A. Burns school of medicine (new); and
- 1.66 cents per unit to the health systems special fund (new); and
- Any excess goes to the general fund.

Makes conforming amendments to section 232F-21, HRS.

EFFECTIVE DATE: Upon approval.

STAFF COMMENTS: This measure is clearly a tax hike. Previous increases have begun to have an effect on collections not only locally but also nationally. Collections have fallen below their previous levels, and the increase in the legal smoking age from 18 to 21 also is anticipated to have a negative effect on consumption.



Source: Department of Taxation Annual Report (2018)

For whatever reason, the rise in rate has jeopardized this source of revenue. If nothing else, lawmakers need to make up their minds whether or not they see this tax as a source of revenue or a means by which to deter consumption.

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 despite tax rate increases, 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 funds from a sin tax is inadvisable or outright dangerous? If the goal is to affect social behavior, use of the tax law is not the most effective way to do so.

Digested 2/6/2019



**American
Heart
Association.**

American Heart Association testimony in SUPPORT of SB 887, Relating to Tobacco Taxes

Chairman of the Board
Mark Yamakawa

President
Kahealani Rivera, MD

Board Members
Rick Bruno, MD, FACEP
Brandt Farias
Mimi Harris
David Honma
Glen Kaneshige
Brandon Kurisu
Howard Lee
Michael Lui, MD
Kazuma Nakagawa, MD,
FAAN, FAHA
Barbara Petrus
Andrew Rosen
Dave Underriner
Elisa Yadao

Serving Hawaii since 1948

Mission Statement:
“To be a relentless force for a world of longer, healthier lives.”

For more information on the AHA’s educational or research programs, visit www.heart.org or contact your nearest AHA office.

Office: (808) 377-6630
Fax: (808) 524-0556

Neighbor Islands:
Serviced by the Oahu office

The American Heart Association supports SB 887 which increases the cigarette tax to 21 cents per cigarette or little cigar sold. However, because Hawaii does not invest in tobacco and prevention and control programs at the CDC’s recommended levels, the AHA recommends amending the bill to allocate a portion of the tobacco tax revenue to that purpose.

A one-time sizeable cigarette tax increase of at least \$1 per pack (5-cents per stick) 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 revenue, estimated to be approximately \$110 million per year, 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).

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 (12.8%) 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.

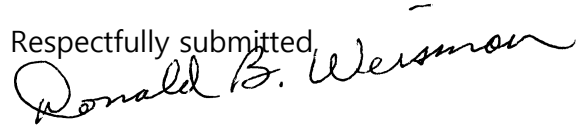
The AHA particularly supports the allocation of additional cigarette tax revenue to prevention and control programs. Low-income smokers and their communities disproportionately benefit when the new revenues from cigarette tax increases are directed to programs to help people quit smoking and prevent 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 falls 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.

Please support HB 887 with the AHA's recommended amendment to allocate a portion of the tobacco tax revenue to boost the investment in community tobacco prevention, control and cessation programs.

Respectfully submitted,

A handwritten signature in black ink that reads "Donald B. Weisman". The signature is written in a cursive style with a horizontal line above the "i" in "Weisman".

Donald B. Weisman

Hawaii Government Relations/Communications Director



TO: Honorable members of the Senate Committee on Commerce, Consumer Protection and Health

RE: SB 887 – Increasing the state excise tax on cigarettes by \$1 per pack

DATE: February 7, 2019

Dear Committee Members:

JT International U.S.A., Inc. ("JTI USA"), an importer and distributor of tobacco products based in Teaneck, NJ, believes that tobacco products carry risks to health.

JTI also believes emphatically that:

- Minors should not smoke, and should not be able to obtain tobacco products.
- Adult smokers should be appropriately informed about the health risks of smoking before they begin smoking.

JTI USA supports appropriate and proportionate regulation that is based on evidence and sound science. However, the proposed tax increase in SB 887, which would increase the cigarette tax by \$1, is not based on sound evidence and will cause a host of unintended consequences.

We believe the contemplated legislation to increase the state excise tax (SET) to \$4.20 would be a short-lived bid to increase revenue from cigarette taxes, with long-lasting effects on tax-paying businesses and our adult consumers in Hawaii.

Other states that have increased cigarette excise taxes between 75 cents and \$1.75 per pack experienced a 20 to 30 percent drop in legal cigarette volumes in the years following the increase. This in turn resulted in significant financial shortfalls for those states.

As we have seen, budgetary projections based on historic sales, especially on a product category in decline, does not represent sound fiscal policy.

A dramatic tax increase will increase the existing demand for products from illicit sources, depriving the hardworking retailers of Hawaii. Once Hawaii residents are incentivized to purchase tobacco products from these illicit sources, even current levels of excise revenue might not be realized in the future, in addition to any subsequent loss in sales tax revenue.

History has proved that, other than modest and proportionate increases, very few cigarette tax increases have actually been able to generate the extra tax receipts promised. At worst, these can open states up to further illicit sales of tobacco products by criminals, who have no regard for the law, regulatory compliance or age verification.

Criminals can simply step in to meet the existing demand with cigarettes from the surrounding lower tax states. This, in turn, would undermine any objectives to reduce youth access to



tobacco products, as those selling illegal products do not care about complying with the law or verifying minimum purchase age.

We firmly believe that excise tax rates should be reasonable and based on public policy goals – not to plug up budget holes.

This proposed SET increase is an unpredictable, unsustainable option to temporarily attempt to increase state excise tax revenue and will hurt the state's retailer community and ultimately push law abiding adult consumers towards illegal behavior.

Instead, we urge Hawaii lawmakers to reject this measure and find more sustainable ways to increase revenue in the state.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Anthony Hemsley', is written over the typed name and title. The signature is fluid and cursive, extending across the width of the text below it.

Anthony Hemsley
Head of Corporate Affairs & Communications

SB-887

Submitted on: 2/11/2019 4:36:52 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Peggy Mierzwa	Testifying for Blue Zones Project	Support	No

Comments:



**TESTIMONY OF TINA YAMAKI
PRESIDENT
RETAIL MERCHANTS OF HAWAII
February 13, 2019**

Re: SB 887 Relating to Tobacco Tax

Good morning Chairperson Baker and members of the Senate Committee on Consumer Protection and Health. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii (RMH) as founded in 1901 and is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

We OPPOSE SB 887 Relating to Tobacco Taxes. This measure increases the cigarette and tobacco tax by five cents; and specifies revenue increases to be dedicated to specified health improvement purposes.

Many retailers statewide are already operating on a thin margin and face stiff competition. Raising the tobacco tax and permit fee will truly hurt locally owned businesses, especially the small locally owned businesses' and may potentially force some of them to close. This would mean the convenient corner store would be gone and leaving people out of work.

The retailers are not the ones selling the cigarettes and the vaping devices to those who are under 21 years of age. Many of who are underage are obtaining their cigarettes and vaping devices from their parents or older friends or purchasing them on the black market. We have seen a significant spike in theft and tobacco products are a favorite to be stolen. Those selling the stolen goods do not card to see how old someone is.

We urge you to hold this measure. Mahalo again for this opportunity to testify.

SB-887

Submitted on: 2/6/2019 3:49:25 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sean Anderson	Testifying for Black Lava Vape	Oppose	Yes

Comments:

Again, there is NO tobacco in e-liquid. There is Nicotine, but if Nicotine is what classifies it as a tobacco product then the Nicotine Patch, Nicotine Gum, and Nicotine Lozenges should also be classified as tobacco products, they are not. Also, 25-30% of e-liquid sold has NO nicotine. As far as hardware goes, a device by itself is nothing. It would be similar to taxing or banning a lighter or matches.

SB-887

Submitted on: 2/11/2019 3:18:54 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

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

Comments:

SB-887

Submitted on: 2/11/2019 5:58:29 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nathan Alana-Duones	Individual	Oppose	No

Comments:

aloha my name is nathan and i am opposing to bill SB887 due to the fact that this bill is for the taxation on eliquids and ENDS DEVICES. this state is not considering how this bill will affect not the community or myself but you the state. i believe this industry is bringing in a substantial amount of revenue as it is. Adding a big tax on this will not just hurt the communtiy or counties within the state, but the state itself. imagine all these devices that are being sold on a day to day basis all the revenue this state will lose which the state could use in a positive. i believe doing this tax will have a great impact due to the fact this industry is still growing how we play a role on our state as it is. yes the adolesants should not be using any type of tobacco product in anyway but as a shop employee i believe it all starts with the local shops asking for ID of anyone and everyone they are selling to. what happens out side of the shop is not in our hands, so yes the parents play a role in this too. For myself i know we do nut support or promte to any adlesants, i feel who is not abiding by the state laws and regulations should be punished for this. not the whole community as a whole for us who is actually doing our job and practices. please reconsider passing this bill mahalo for your time

SB-887

Submitted on: 2/10/2019 7:49:16 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Anton	Individual	Oppose	No

Comments:

WTF! Enough Already!

SB-887

Submitted on: 2/12/2019 2:40:56 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chris C.K. Arakaki	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/10/2019 2:16:00 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Noel Araki	Individual	Oppose	No

Comments:

I oppose this bill

The very first line of the bill is false and leads the reader to believe in a false belief that smoking is the #1 cause of death. Nationwide the #1 cause is Cardiovascular Disease the #2 cause is Infectious and Parasitic Diseases #3 and #4 are statically tied Coronary Artery Disease and Cancer.

The leading causes of death in Hawaii, specifically, is #1 Heart Disease #2 Cancer and #3 Stroke.

The taxes on tobacco should not be increased.

-Noel Araki

Date: February 10, 2019

To: The Honorable Rosalyn H. Baker, Chair
The Honorable Stanley Chang, Vice Chair
Members of the Senate Committee on Commerce, Consumer Protection and Health

Re: **Strong Support of SB887**, Relating to Tobacco Taxes

Hrg: February 13, 2019 at 9:10 AM in Capitol Room 229

Aloha Senate Committee on Commerce, Consumer Protection and Health,

I am writing in **strong support of SB887**, which increases the cigarette and tobacco tax by five cents and specifies revenue increases to be dedicated to specified health improvement purposes.

Increasing the tax on tobacco products is the most effective way to reduce smoking among adults and prevent young people from becoming regular smokers. This incremental increase in the cigarette and tobacco tax will further our efforts to encourage quitting among smokers and strengthen the barrier to youth smoking.

As a public health advocate, I greatly appreciate revenues generated by SB887 will support cancer research, emergency medical services and community health centers.

The American Lung Association 2019 State of Tobacco Control report awarded Hawai'i top grades of "A" for "Tobacco 21" and "Smokefree Air", grades of "B" for "Access to Cessation Services" and "Tobacco Taxes" and a grade of "F" for "Tobacco Prevention and Cessation Funding".

Acknowledging this exception to Hawai'i's national leadership in tobacco control, I respectfully request that SB887 be amended to increase funding for tobacco prevention and cessation to further help our smokers to quit, and, prevent a new generation from becoming addicted to nicotine and avoid the long term health harms of tobacco.

I **strongly support SB887** and respectfully ask you to amend and pass this bill out of committee.

Many thanks for your consideration,

Forrest Batz, PharmD
Kea'au, HI

SB-887

Submitted on: 2/8/2019 8:35:54 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Bob Bainum	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/10/2019 6:04:11 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

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

Comments:

SB-887

Submitted on: 2/11/2019 9:32:40 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kaimana Brummel	Individual	Support	No

Comments:

SB-887

Submitted on: 2/7/2019 9:37:43 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kimo Cruz	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/11/2019 1:18:59 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
DANIEL DRAPESA	Individual	Oppose	No

Comments:

My wife smoked a pack a day for more than fifteen years. She would constantly get sick and would get winded easily. She tried quitting many times with no success. After trying vaping she was able to quit over night. She has been smoke free for over a year and a half now with out the urge to return. Her health has dramatically improved and she can run and play with our children. If SB887 was to pass into law, the cost vaping would dramatically increase. This could effect retailers and their employees. It would result in a lot of Hawaii's people losing their jobs. My wife's progress would not be possible and she would most likely got back to traditional cigarettes.

Aside from my wife's story, I myself work at brick and mortar Vape shop. My coworkers and I would have our careers threatened by this bill passing and becoming law. That would take away our livelihood and the means that we provide for our families.

On a daily basis at work I meet adults who are of age who tell me how vaping has helped them quit and stay off smoking for a month, a year, five years or more. They tell me that vaping was the only way that truly worked for them. Studies show its 95% less harmful. Studies also show vaping gives smokers twice the likelihood of quitting over other methods (I.e. patches, gum, etc.) VAPING IS NOT SMOKING!! Alot of your supporting details bundle the two together and they are not the same thing. A more effective path you could presue would be stricter punishments for retailers that sell to underage and for parents of kids caught vaping or with parafanalia. Parents need to be accountable for their children. Often times they are the ones buying it for the kids.

In closing I highly oppose SB887, Aloha!

SB-887

Submitted on: 2/10/2019 10:55:56 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Dietrich	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/7/2019 11:05:08 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

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

Comments:

This will continue to raise the price to consumers who will in the end turn to the internet for their tobacco purchases or even worse create a black market and bring in a criminal element. Do you remember the whole delivery truck of cigarettes that was carjacked last year in Ewa Beach?

SB-887

Submitted on: 2/9/2019 7:17:27 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
jason graham	Individual	Oppose	No

Comments:

I feel increasing the tax even 1 percent is very unreasonable. I believe this proposal for an increase in taxes for vaping in general is a slow attack on trying to eliminate what has been shown to reduce the amount of cigarette smoking in the state. Reconsider your approach to vaping and see that it is doing more good then you can see

SB-887

Submitted on: 2/12/2019 6:26:03 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Anden Gaballo	Individual	Oppose	No

Comments:

Raising the tobacco tax by five cents, in my opinion will not increase to some sort of health improvement. It will only make products expensive for people who uses electric cigarettes and tobacco e-liquid. Who quit smoking and are doing better.

SB-887

Submitted on: 2/11/2019 6:05:40 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sean Higa	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/12/2019 2:38:37 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Carissa Holley	Individual	Support	No

Comments:

I support the ban of sale of tobacco-flavored products.

SB-887

Submitted on: 2/12/2019 6:48:49 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jonovan Iriarte	Individual	Oppose	No

Comments:

Raising the tobacco tax by five cents, in my opinion will not increase to some sort of health improvement. It will only make products expensive for people who uses electric cigarettes and tobacco e-liquid. Who quit smoking and are doing better.

SB-887

Submitted on: 2/8/2019 11:12:26 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
austin keliinoi-westbrook	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/6/2019 10:52:53 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
P Kuromoto	Individual	Oppose	No

Comments:

Tobacco tax money is used, among other things, for dishonest campaigns against tobacco harm reduction. This is counterproductive to the goal of improving public health. It also taxes an already heavily taxed and economically vulnerable population.

SB-887

Submitted on: 2/10/2019 9:03:31 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathy Kim	Individual	Oppose	No

Comments:

Stop ripping people off with insane tax rates.

SB-887

Submitted on: 2/12/2019 6:44:29 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Adrian-Marie Luna-Gaballo	Individual	Oppose	No

Comments:

Raising the tobacco tax by five cents, in my opinion will not increase to some sort of health improvement. It will only make products expensive for people who uses electric cigarettes and tobacco e-liquid. Who quit smoking and are doing better.

SB-887

Submitted on: 2/9/2019 6:22:51 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Larson	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/12/2019 6:41:32 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Valerie Luna-Gaballo	Individual	Oppose	No

Comments:

Raising the tobacco tax by five cents, in my opinion will not increase to some sort of health improvement. It will only make products expensive for people who uses electric cigarettes and tobacco e-liquid. Who quit smoking and are doing better.

SB-887

Submitted on: 2/12/2019 3:20:34 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
taeleipu liliu	Individual	Oppose	No

Comments:

I am opposing sb887 because the 70% increase is unfair . I also oppose this bill because why does taxes that we pay have to go to medical school loans?

SB-887

Submitted on: 2/10/2019 11:27:02 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Bill Medeiros	Individual	Oppose	No

Comments:

Personally, I think tobacco taxes are too high already and see no reason to increase. I would rather see a more efficient use on the current taxes being collected and that the funds be earmarked specifically for the State Dept of Health and not distributed to any private or other organizations.

Therefore, I oppose this measure.

SB-887

Submitted on: 2/7/2019 5:46:43 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Adam mayer	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/7/2019 3:21:27 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Johnathon G. Myers	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/7/2019 2:19:41 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

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

Comments:

SB-887

Submitted on: 2/12/2019 12:46:22 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
?Ika?aka Pang	Individual	Oppose	No

Comments:

'A'ohe kumu e pi'i hou aku ai ka 'auhau no kÄ• mÄ• kou paka e puhi ana nÄ• auane'i. Na mÄ• kou ke kÄ• IÄ• , 'a'ohe hua waiwai mai kÄ•ia 'auhau hou 'ana mai iÄ• mÄ• kou!

I am in strong opposition to this raise of tobacco taxes.

SB-887

Submitted on: 2/9/2019 10:34:35 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ke Nguyen	Individual	Oppose	No

Comments:

You take too much and then no more nothing left.

SB-887

Submitted on: 2/8/2019 8:33:01 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
April Pacheco	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/7/2019 3:08:39 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mealani Rahmer	Individual	Support	No

Comments:

Please support the increase of tax on cigarettes. Smoking is the number one PREVENTABLE death. Please support increases on cigarette tax on SB 887.

Thank you

SB-887

Submitted on: 2/12/2019 1:43:39 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Theresa Revell	Individual	Oppose	No

Comments:

Aloha Senators,

Please oppose this proposal.

Respectfully submitted,

Theresa Revell

SB-887

Submitted on: 2/7/2019 4:28:45 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sabrina Spencer	Individual	Oppose	No

Comments:

Taxes are too high already. When you over tax something, your long term revenues drop. It's basic economics.

SB-887

Submitted on: 2/11/2019 7:59:31 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Teikiheekua Taupu	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/11/2019 4:22:22 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Watanabe	Individual	Oppose	No

Comments:

Lower my taxes if you want my vote.

SB-887

Submitted on: 2/11/2019 4:19:50 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Henry weaver	Individual	Oppose	No

Comments:

My name is Henry I am a former smoker of 20 year's, I oppose HB276, for the simple fact that this bill is unfair in the statement of Flavors is the reason of being the root cause of the teenage vaping epidemic is false, as a former smoker of traditional combustible cigarettes, vaping and its Flavors has helped myself, family members and friends of legal smoking and vaping age whether it be State age laws or federal to stay away from and stop smoking cigarettes, since I've quit smoking and started vaping having flavors to enjoy as a law abiding citizen while vaping should be a right that shouldn't be taken away to legal adults. As an adult we should have a choice to vape a flavor!! The vaping epidemic in Hawaii and the USA of teenager are because of certain devices like "Juil" and similar ones like it being easily accessible through gas stations, convenience stores ect, at least 90% of actual vape shops have taken part in sales to minors prior to laws being in place it started from 18 years of age now in some states like here in Hawaii its 21, these vape shops, manufactures and companies who follow the rules will be getting punished for the fact that the reasons behind the epidemic isn't being directed toward. The product that most of the vaping community disagrees with due to the accessibility in gas stations & convenience stores is what most teens are using because place other than vape shops dont take it seriously when asking for ID. There should be more stings to help aid the root cause & not punishing responsible Vape shops and adults. By taking away something "flavors" vaping Eliquids ect that has made a huge impact by lessing the amount of Traditional tobacco cigarette use state and nation wide, will greatly impact citizens to go back to combustible cigarettes which is definitely more toxic due to the fact my own Doctor has told me since I quit smoking cigarettes my health is much better in comparison.

Attachment "A1" is a letter from The FDA Commissioner, Scott Gottlieb. It states that the use of electronic nicotine delivery systems (ENDS) has contributed to a decline of combustible tobacco, which is known to cause cancer. It also clearly states that it intends on limiting flavored cigarettes to age restricted stores, or areas.

Thank you for your your time

SB-887

Submitted on: 2/7/2019 5:58:30 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jake J. Watkins	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/6/2019 6:23:42 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Wells	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/8/2019 11:47:04 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nicholas Winters	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/11/2019 2:36:06 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Stevenson	Individual	Oppose	No

Comments:

Aloha ,

I strongly oppose SB887 on the grounds that part of the tax is going to go back to pay off graduates medical loans. If they are putting themselves through medical college they knew what they are getting into. They are responsible for their own loan payments. Why would i have to help pay for their education that is not fair. I dont live with a doctor nor do they care about my habits once i leave their office. I have not been in a doctors office because of vaping either. So paying for a graduates medical loan is not my problem. I oppose this bill for that reason alone.

mahalo for your time

SB-887

Submitted on: 2/7/2019 5:25:23 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kaenz	Individual	Oppose	Yes

Comments:

SB-887

Submitted on: 2/6/2019 3:45:44 PM

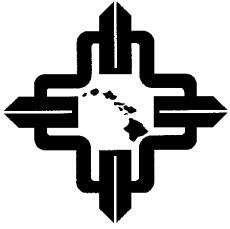
Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
puna	Individual	Oppose	No

Comments:

Aloha

My name is Puna I am a everyday vapor and I really enjoy my flavored e liquid. Having a wide variety of flavors to choose from helps me not smoke combustible cigarettes, I used to smoke at least 3 packs a day and now I have been vaping for over 5 years it has made a positive impact on my health. I know a lot of other adults from age 30-70 who has had a positive impact from ENDS products. I believe that if you can have flavored alcohol which has taken hundreds of lives every year we should be able to vape flavored eliquids for adults. I don't see why the state is trying to pass this flavor ban when the flavors isn't the actual problem health wise. These flavors are actually having a positive effect on people's lives. Not only do these flavors help people find a healthier alternative to combustible cigarettes some even quit smoking and vaping. Coming from an employee point of view it is our goal to get people to quit smoking combustible cigarettes and give them a healthier alternative then eventually they will stop vaping because they do not need a nicotine fix at all. As an employee this is my goal to help the community. Please take this into consideration and mahalo Nui loa for your time



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Quality Healthcare for All"

LATE

**SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION,
AND HEALTH**

**Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair**

February 13, 2019
Conference Room 229
9:10 a.m.
Hawaii State Capitol

**Testimony Supporting Senate Bill 887 Relating to Tobacco Taxes.
Increases the cigarette and tobacco tax by five cents. Specifies revenue
increases to be dedicated to specified health improvement purposes.**

Linda Rosen, M.D., M.P.H.
Chief Executive Officer
Hawaii Health Systems Corporation

The Hawaii Health Systems Corporation (HHSC) board of directors is in **support of** S.B. 887.

HHSC appreciates the Legislature's attention to the needs of our nine hospitals across the state. We support this measure because it would provide additional funding to assist HHSC's efforts to provide quality health services while also reducing the need for general fund appropriations. It has the added benefit to the communities we serve as a public health strategy that can reduce the burden of tobacco related disease.

Our comments are limited to the parts of this measure pertaining to HHSC, as we are unable to fully analyze the impact on other health programs that receive funding.

Thank you for the opportunity to testify.

SB-887

Submitted on: 2/12/2019 6:20:07 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Monika Lopez	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/12/2019 7:38:13 PM

Testimony for CPH on 2/13/2019 9:10:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Jessica Chang	Individual	Oppose	No

Comments:

SB-887

Submitted on: 2/13/2019 2:12:45 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
De MONT R. D. CONNER	Testifying for Ho'omanapono Political Action Committee (HPAC)	Support	Yes

Comments:

LATE

SB-887

Submitted on: 2/12/2019 5:13:22 PM
Testimony for CPH on 2/13/2019 9:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Zehner	Testifying for Hawaii Smokers Alliance	Oppose	Yes

Comments:

We are strongly opposed to this tax increase. Not only is it regressive but it will decrease state revenues still further. The days of getting more net taxes from another cigarette tax increase ended years ago. Duhhh! We can't believe that some depraved clown out there actually spent time to write this imbecilic bill which is doomed only to fail and piss off voters.

SB-887

Submitted on: 2/13/2019 6:56:59 AM

Testimony for CPH on 2/13/2019 9:10:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Cooper	Individual	Oppose	No

Comments: