

Honolulu, Hawaii

FEB 09 2022

RE: S.B. No. 2376
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2376 entitled:

"A BILL FOR AN ACT RELATING TO TOBACCO TAXES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Repeal and eliminate the deferred payment purchase option for cigarette tax stamps; and
- (2) Require licensees to pay for stamps at the time of purchase using cash, certified check, or bank transfer.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that, according to testimony from the Department of Taxation, the deferred payment purchase of cigarette stamps is no longer necessary. Having the taxpayer pay upon purchase is more efficient and this measure will eliminate unnecessary burdens to better streamline the administration of this program.

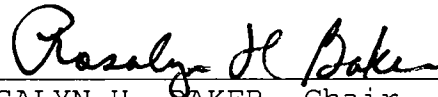


Your Committee has amended this measure by:

- (1) Deleting amendments to subsection (a) of section 245-26, Hawaii Revised Statutes, to reinstate existing statutory language that allows the Department of Taxation to modify by rule the stamp fee to reflect actual costs incurred by the State in providing the stamps; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2376, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,




ROSALYN H. BAKER, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2376	CPN, WAM	2-4-2022		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	X			
CHANG, Stanley (VC)	X			
DECOITE, Lynn	X			
NISHIHARA, Clarence K.	X			
RIVIERE, Gil	X			
SAN BUENAVENTURA, Joy A.	X			
FEVELLA, Kurt				X
TOTAL	6	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes