

STAND. COM. REP. NO. 1065-24

Honolulu, Hawaii
MAR 01 , 2024

RE: H.B. No. 2504
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2504, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to increase the cigarette tax and allocate the increased amount to the Hawaii Cancer Research Special Fund.

Your Committee received testimony in support of this measure from the Department of Health; University of Hawai'i Cancer Center; Hawai'i Primary Care Association; The Friends of Kamalani & Lydgate Park; Hawaii COPD Coalition; Coalition for a Tobacco-Free Hawai'i; American Cancer Society Cancer Action Network; Hawaii Medical Association; Hawai'i Pacific Health; and numerous individuals. Your Committee received testimony in opposition to this measure from the Retail Merchants of Hawaii; Hawaii Smokers Alliance; ABC Stores; Cigar Association of America; Waikiki Old Country Market; and eight individuals. Your Committee received comments on this measure from the Department of Taxation; Hawaii Substance Abuse Coalition; and Tax Foundation of Hawaii.

Your Committee has amended this measure by:

2024-2080 HB2504 HD2 HSCR HMSO



- (1) Establishing a floor inventory tax on the inventory of cigarettes and little cigars held by licensees before any increase in the cigarette tax is set to take effect;
- (2) Changing the cigarette tax rate and the disposition of those tax revenues to various special funds to unspecified amounts;
- (3) Conforming the application of the amendments to the subject of this measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2504, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2504, H.D. 2.

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



KYLE T. YAMASHITA, Chair



State of Hawaii
House of Representatives
The Thirty-second Legislature

HSCR 1065-24

Record of Votes of the Committee on Finance

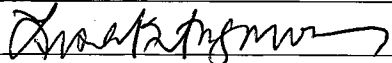
Bill/Resolution No.: HB2504 HD1	Committee Referral: HET/HLT, FIN	Date: 02/28/2024
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AIU, Micah P.K.				✓
4. CHUN, Cory M.	✓			
5. COCHRAN, Elle				✓
6. GARRETT, Andrew Takuya				✓
7. KAHALOA, Kirstin	✓			
8. KILA, Darius K.	✓			
9. KOBAYASHI, Bertrand	✓			
10. LAMOSAO, Rachele F.	✓			
11. MORIKAWA, Dee	✓			
12. NISHIMOTO, Scott Y.	✓			
13. POEPOE, Mahina	✓			
14. TAKENOUCHI, Jenna	✓			
15. ALCOS III, David	✓			
16. WARD, Gene	✓			
TOTAL (16)	13	0	0	3

The recommendation is: Adopted Not Adopted
If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: 

Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO