

**STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY**  
DEPARTMENT OF HEALTH - KA 'OIHANA OLAKINO

**JOSH GREEN, M.D.**  
GOVERNOR OF HAWAII  
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

**KENNETH S. FINK, MD, MGA, MPH**  
DIRECTOR OF HEALTH  
KA LUNA HO'OKELE

**JOHN C. (JACK) LEWIN, M.D.**  
ADMINISTRATOR

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March 28, 2025

To: COMMITTEE ON WAYS AND MEANS  
Senator Donovan M. Dela Cruz, Chair;  
Senator Sharon Y. Moriwaki, Vice Chair; and  
Honorable Members

From: John C (Jack) Lewin MD, Administrator, SHPDA and  
Senior Advisor to Governor Green on Healthcare Innovation

Re: **HB441, HD2 SD1 - Relating to Cigarette Taxes**

Hearing: March 31, 2025 @ 10:02 pm; Conference Room 211 & Videoconference

Position: SUPPORT

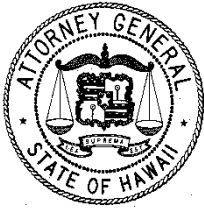
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Testimony:

SHPDA fully and strongly supports the intent of this bill which increases the tax rates for cigarettes and little cigars to 18.00 cents beginning 1/1/2026, amends the disposition of tax revenues to certain non-general funds starting from fiscal year 2026-2027, with the excess carrying over to the general fund, and expands the tax disposition of tax revenues to the funds to include all tobacco product taxes. This bill also repeals obsolete historical tax rates.

A key part of SHPDA's mission is to promote universal access to high-quality, equitable, and affordable healthcare, which includes using health data to systematically monitor and promote improvements in healthcare outcomes and population health, including advancing disease prevention and promotion of medical research to help support these goals.

Raising cigarette taxes has been demonstrated to reduce rates of smoking, which in turn reduces the incidence of lung cancer, emphysema, heart disease, and various other causes of cancer and chronic illness.

Mahalo for the opportunity to testify.



**WRITTEN TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2025**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 441, H.D. 2, S.D. 1, RELATING TO CIGARETTE TAXES.

**BEFORE THE:**

SENATE COMMITTEE ON WAYS AND MEANS

**DATE:** Monday, March 31, 2025

**TIME:** 10:02 a.m.

**LOCATION:** State Capitol, Room 211

**TESTIFIER(S):** **WRITTEN TESTIMONY ONLY.**

(For more information, contact Richard W. Stacey,  
Deputy Attorney General, at 808-586-1199)

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Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General (Department) supports this bill and offers the following comments.

The purpose of this bill is to increase the tax rate on each cigarette or little cigar sold from sixteen cents to eighteen cents. Additionally, the bill amends the disposition of cigarette tax revenues by allocating the two-cent increase in the tax to the University of Hawaii for purposes of debt reduction for the Cancer Research Center of Hawaii.

Cigarette tax stamp revenues have plummeted, from over \$116 million in fiscal year 2015-2016 to just over \$70 million in fiscal year 2023-2024. This decline has affected the funding for the University of Hawaii Cancer Center, community health centers, trauma centers, and emergency medical services.

Similarly, the Department's Tobacco Enforcement Special Fund (Fund) has experienced a revenue decline due to reduced cigarettes sales. The Fund receives revenue from the cigarette tax stamp fee, which is directly tied to the cost of the cigarette tax stamp (see section 245-26, Hawaii Revised Statutes (HRS)). The revenue deposited into the Fund has dropped from \$1.74 million in fiscal year 2015-2016 to \$1.03 million in 2023-2024. To ensure continued diligent enforcement of the Master Settlement Agreement (MSA), the Department needs to recuperate funding to the Fund.

In 1998, Hawaii and 45 other states signed the MSA with the four largest U.S. tobacco manufacturers to settle smoking-related claims. Under the MSA, these manufacturers provide annual payments to the signing states, including Hawaii. To maintain these payments, states must diligently enforce the requirements of the "model statute," which Hawaii enacted as the Tobacco Liability Act, chapter 675, HRS. The Legislature established the Fund in 2001 for the Department to administer, monitor, and enforce the MSA, the cigarette tax stamp program, and any other related statutes or programs (see section 28-15(a), HRS).

If enforcement is deemed insufficient, tobacco manufacturers may challenge the payment, potentially leading to arbitration and significant financial losses to Hawaii. Hawaii received over \$36.4 million in MSA payments for fiscal year 2023-2024. Recent arbitration decisions found Washington, Missouri, and New Mexico non-diligent, jeopardizing their annual MSA payments. These decisions highlight a critical need for stable funding for the Department to maintain and further its diligent enforcement efforts and reduce the risk of losing MSA revenue.

The attached chart demonstrates the flow of the cigarette and tobacco tax and license money, based on the current taxing scheme.

On page 14, lines 9-13, the bill amends the disposition of cigarette tax revenues by allocating the two-cent increase in the tax to be deposited with the Director of Finance to be payable to the University of Hawaii for the Cancer Research Center of Hawaii's debt reduction. The current wording does not specify a fund for deposit, such as a special fund or the general fund, creating ambiguity as to which fund would receive the additional money. Further, the stated purpose on page 4, lines 1-3, indicates the increase is intended to be deposited into the Hawaii Cancer Research Special Fund. Therefore, for consistency and to avoid confusion, we recommend the following amendments

1. Delete section 245-15(7)(E), HRS, on page 14, lines 9-13; and
2. Amend section 245-15(7)(A), HRS, on page 13, lines 11-15, to read (changes in bold):

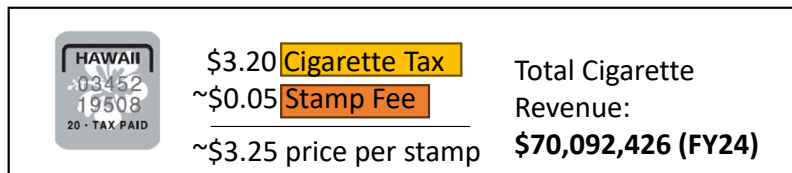
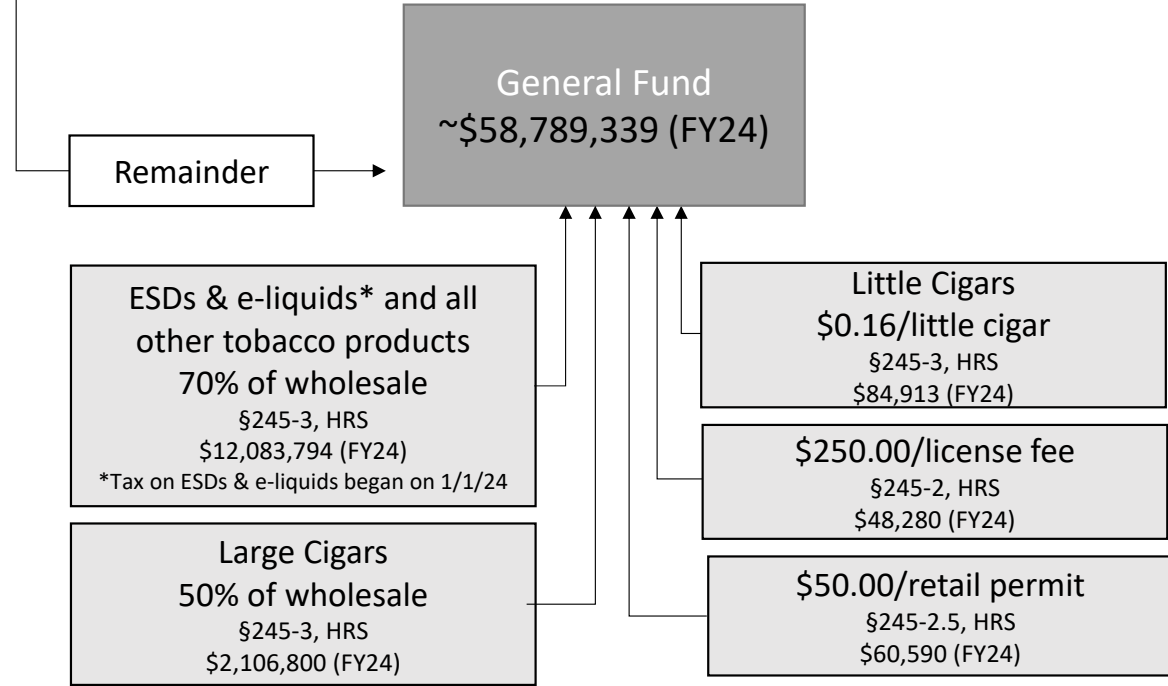
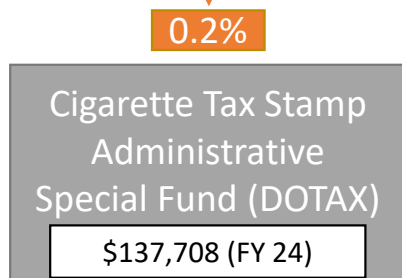
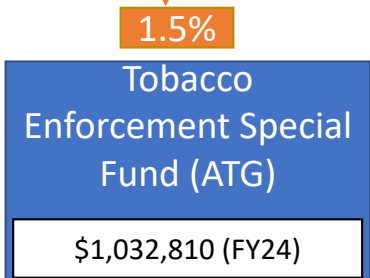
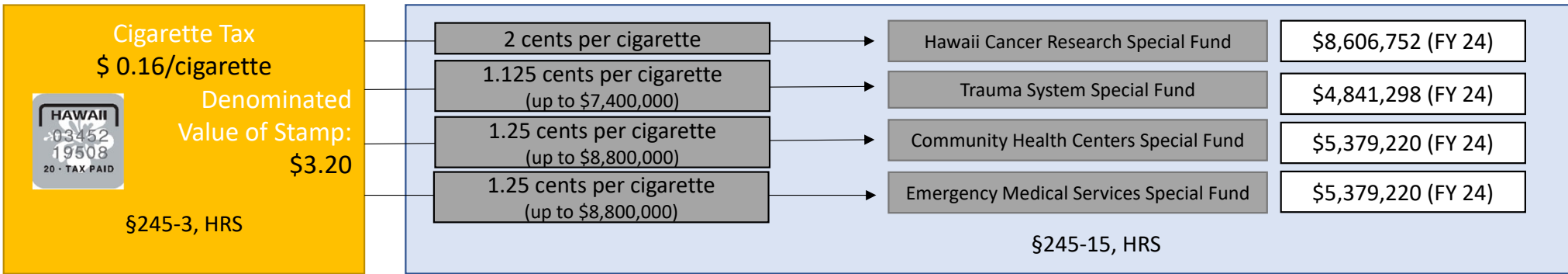
**(A) 4.0 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to**

section 304A-2168, for research and operating expenses and for capital expenditures; **provided that of each amount deposited to the credit of the Hawaii cancer research special fund, 2.0 cents per cigarette shall be used exclusively for debt service of capital expenditures;**

We respectfully urge the Committee to pass the bill with the suggested amendments. For the implementation of a new tax stamp rate and the effective date, the Department defers to the Department of Taxation.

Thank you for this opportunity to testify.

# CIGARETTE AND TOBACCO TAX AND LICENSE MONEY





# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

#### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the  
Senate Committee on Ways and Means  
Monday, March 31, 2025 at 10:02 a.m.

By

Naoto T. Ueno, Director  
University of Hawai'i Cancer Center

And

Michael Bruno, Provost  
University of Hawai'i at Mānoa

#### HB 441 HD2 SD1 – RELATING TO CIGARETTE TAXES

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

Thank you for the opportunity to present our testimony today. The University of Hawai'i Cancer Center (UH Cancer Center) is in **strong support with a suggested amendment** of HB 441 HD2 SD1, which, as originally introduced, would increase the cigarette tax from \$0.16 to \$0.18 per cigarette. Currently, the cigarette tax revenues are allocated where \$0.02 supports Hawai'i's Cancer Center. HB 441 HD2 SD1 would provide for the additional \$0.02 in the cigarette tax amount to be deposited with the director of finance to be payable to the University of Hawai'i for the purposes of debt reduction for the Cancer Research Center of Hawai'i.

The UH Cancer Center appreciates the intent of HB 441 HD2 SD1 to address the debt service of the UH Cancer Center, but feels it would be beneficial to have the additional revenue deposited directly to the credit of the Hawai'i Cancer Research Special Fund rather than to the director of finance. The UH Cancer Center requests the following amendment to subparagraph (A) on page 13, lines 11-15, to read as follows:

*4.0 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures; provided that of each amount deposited to the credit of the Hawaii cancer research special fund, 2.0 cents per cigarette shall be used exclusively for debt service of capital expenditures;*

If the above-mentioned amendment is included, subparagraph (E) on page 14, lines 9-13, can be deleted.

Funding from the cigarette tax has been instrumental since this fund's inception in 2006, enabling the construction of the UH Cancer Center building and the launching of strategic initiatives to combat cancer. However, due to the success of smoking cessation efforts, this allocation has declined, indicating both progress in public health and a concerning decrease in resources for the initiatives that have fueled this advancement. Now providing less than half the funding compared with that of 2009, this source of allocation is no longer able to support its original intent to provide a top-notch facility, and to invest in the most promising cancer research, clinical care and community outreach.

An increase would bring profound benefits for the people of our community. Restoring cigarette-tax funding would empower the UH Cancer Center to attract and retain more top-tier scientists and clinicians, thus expanding our capacity to conduct groundbreaking research and deliver cutting-edge patient care and saving more lives across Hawai'i and the Pacific.

Returns on this investment will be multifold:

### **Investment in Tobacco Research is an Investment in the Health and Well-being of Our Community**

More than 70,000 people in this state are living with cancer and praying for a cure, and each year, 2,300 Hawai'i residents die of this terrible disease. The UH Cancer Center is a leader of the Hawai'i Cancer Consortium, a collaborative network of major healthcare and community partners working to improve cancer outcomes for residents of Hawai'i as well as those in the broader Pacific Rim region: The Queen's Health Systems, Hawai'i Pacific Health, Adventist Health Castle, Kuakini Medical Center, Hilo Benioff Medical Center, Hawai'i Medical Service Association (HMSA), and UH Mānoa's John A. Burns School of Medicine. Cigarette tax funding has supported and provided the infrastructure for developing evidence-based programs to understand the health behaviors underlying tobacco use, including:

- Developing and testing culturally tailored interventions to promote smoking cessation among Native Hawaiians, Pacific Islanders, Asian Americans, and low-income populations;
- Conducting longitudinal studies on the patterns, predictors, and consequences of e-cigarette use among adolescents and young adults in Hawai'i;
- Evaluating the impact of tobacco control policies, such as smoke-free laws, tobacco taxes, and minimum legal age of sale, on tobacco use behaviors and health outcomes;
- Providing evidence-based knowledge to inform public health officials and regulatory authorities on how to regulate tobacco products effectively and in a way that best serves individuals and public health;
- Conducting tobacco-related research to advance health equity and prevent the initiation of tobacco use among youth and young adults.

### **Investment in the UH Cancer Center is an Investment in Economic Growth**

The UH Cancer Center attracts federal grants and collaboration that contribute to our local economy. As one of only 73 National Cancer Institute-designated cancer centers, it is in the top 4% of cancer centers across the nation, and was scored as an "outstanding" cancer center in its most recent full five-year renewal. The UH Cancer Center positions Hawai'i as a leader in cutting-edge cancer research and clinical care that serves our community, and generates revenues from patients seeking treatment and care customized to the needs of our diverse Pacific Asian populations.

Funding the UH Cancer Center enables it to provide for:

- Attracting committed and world-class researchers and clinical investigators with start-up packages; such new faculty recruits will increase federal grants and groundbreaking discoveries in cancer prevention, treatment, and care;
- Addressing the shortage of specialized oncology practitioners in Hawai'i;
- Attracting pharmaceutical companies that will partner with the UH Cancer Center and hospitals to fund clinical trials for patients in Hawai'i, Asia, and the Pacific regions.

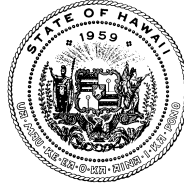
### **Investment in the UH Cancer Center Paves A New Way Forward in Research and Cancer Care**

Now is the time to prioritize cancer research, and demonstrate our commitment to improving the health and well-being of our communities and providing the best treatment for our patients. By 2050, cancer cases worldwide are expected to increase by 77%, to over 35 million, and cancer deaths are projected to nearly double, to 18.5 million, according to the World Health Organization. Residents of Hawai'i and the Pacific will not be immune from this grim trend. Investing in cancer research impacts the community by providing better quality cancer treatment and prevention. It enables recruitment of disease-expert cancer doctors rather than general oncologists. By directing additional funds towards cancer research and clinical trials, we can harness the full potential of the UH Cancer Center and foster an environment where innovative cancer treatments and prevention are developed, benefiting cancer patients across Hawai'i and the Pacific, and beyond.

Based on the above, we believe that an increased allocation of 2 cents per cigarette tax would be financially beneficial to provide investment in the UH Cancer Center to keep Hawai'i at the forefront of cancer research, and ensure that our communities receive the care and resources they need and deserve. Prioritizing the UH Cancer Center through this tax change is not merely a fiscal decision, but a statement of our collective commitment to the health and prosperity of Hawai'i's people. The benefits of this investment will resonate far beyond the immediate fiscal year, strengthening a steadfast path toward a future where cancer can be effectively combatted.

Thank you for this opportunity to testify.





STATE OF HAWAII  
DEPARTMENT OF HEALTH  
KA 'ŌIHANA OLAKINO  
P.O. Box 3378  
Honolulu, HI 96801-3378  
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WRITTEN  
TESTIMONY ONLY

Testimony in SUPPORT of H.B. 441, H.D. 2, S.D. 1  
RELATING TO CIGARETTE TAXES

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

Hearing Date: March 31, 2025

Room Number: Conference Room 211 and  
Videoconference

1 **Fiscal Implications:** The fiscal impact of an increase in excise tax on cigarettes and little cigars  
2 in Hawaii would result in increases in state tax revenues while at the same time leading to  
3 reductions in cigarette consumption, chronic diseases, and health care spending, including  
4 Medicaid spending in the state.

5 **Department Position:** The Department of Health (DOH) supports House Bill 441, House Draft 2,  
6 Senate Draft 1 (H.B. 441, H.D. 2, S.D. 1) which would impose an excise tax equal to 18.00 cents  
7 for each cigarette or little cigar sold, used, or possessed by a wholesaler or dealer and allocates  
8 the increase in cigarette tax to the Hawaii Cancer Research Special Fund for the purposes of  
9 debt reduction for the Cancer Research Center of Hawaii. The DOH respectfully offers  
10 amendments to increase the tax by 5.00 cents for each cigarette and little cigar sold, used, or  
11 possessed by a wholesaler or dealer on and after January 1, 2026, in order to maximize the  
12 public health impact of this measure.

13 **Department Testimony:** According to the U.S. Surgeon General, increasing the price of tobacco  
14 products is the single most effective way to reduce consumption.<sup>1</sup> A ten percent increase in

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<sup>1</sup> HHS, Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General, 2012,  
<http://www.surgeongeneral.gov/library/reports/preventing-youth-tobacco-use/full-report.pdf>

1 price has been estimated to reduce overall cigarette consumption by 3-5%.<sup>2</sup> Research also  
2 suggests that both youth and young adults are two to three times more likely to respond to  
3 increases in price than adults.<sup>3</sup>

4 The burden of tobacco use is disproportionately experienced by Hawaii’s communities  
5 and population groups. Due to the intentional marketing practices of the tobacco industry,  
6 Native Hawaiian (14.1%), individuals who identify as lesbian, gay, bisexual, or transgender  
7 (10.3%), those who are of low socioeconomic status (18.9%), and those with behavioral health  
8 conditions (14.5%), or drink excessively (15.9%) have higher smoking prevalence than the state  
9 prevalence rate from 2023 (9.0%).<sup>4</sup>

10 Cigarette smoking persists as the leading cause of preventable death nationally<sup>5</sup> and is  
11 linked to heart disease, cancer, and stroke which were also the leading causes of death in  
12 Hawaii in 2021.<sup>6</sup> Each year an estimated 1,400 Hawaii adults die from smoking.<sup>7</sup> The Centers  
13 for Disease Control and Prevention estimates that smoking causes approximately 90% of all  
14 lung cancer deaths and 80% of all deaths from chronic obstructive pulmonary disease.<sup>8,9</sup>

15 Cigarette smoking also takes a financial toll on the state. The annual estimated health  
16 care costs directly caused by smoking in Hawaii is \$611 million.<sup>10</sup> Smoking-caused government

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<sup>2</sup> HHS, Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General, 2012, <http://www.surgeongeneral.gov/library/reports/preventing-youth-tobacco-use/full-report.pdf>

<sup>3</sup> HHS, Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General, 2012, <http://www.surgeongeneral.gov/library/reports/preventing-youth-tobacco-use/full-report.pdf>

<sup>4</sup> Hawai‘i Health Data Warehouse – BRFSS (2023)

<sup>5</sup> U.S. Department of Health and Human Services. [The Health Consequences of Smoking—50 Years of Progress: 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, 2014 [accessed 2017 Apr 20].

<sup>6</sup> HHDW. New: Leading Causes of Death Report Series. November 1, 2023. <https://hhdw.org/na-leading-causes-of-death-reports/>

<sup>7</sup> Campaign for Tobacco-Free Kids. Toll of Tobacco in Hawaii. August 16, 2024. <https://www.tobaccofreekids.org/problem/toll-us/hawaii>

<sup>8</sup> U.S. Department of Health and Human Services. [The Health Consequences of Smoking—50 Years of Progress: 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, 2014 [accessed 2017 Apr 20].

<sup>9</sup> U.S. Department of Health and Human Services. [How Tobacco Smoke Causes Disease: What It Means to You](#). 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, 2010 [accessed 2017 Apr 20].

<sup>10</sup> Campaign for Tobacco-Free Kids. The Toll of Tobacco in Hawaii. August 16, 2024. <https://www.tobaccofreekids.org/problem/toll-us/hawaii>

1 expenditures result in a tax burden of \$955.00 per household and \$1.1 billion in lost  
2 productivity in Hawaii.<sup>11</sup>

3 The World Health Organization recommends that tobacco taxes should be raised  
4 significantly and at regular intervals to ensure that tobacco products do not become more  
5 affordable.<sup>12</sup> The last cigarette tax increase in Hawaii was 14 years ago in 2011<sup>13</sup> and there was  
6 an observed decrease in high school cigarette use from years prior which continued steadily  
7 thereafter.<sup>14</sup>

8 The DOH supports H.B. 441, H.D. 2, S.D. 1 to increase the excise tax on cigarettes and  
9 little cigars as a proven public health policy to prevent youth from starting and to help adults to  
10 quit smoking. The DOH respectfully offers amendments to increase the tax by 5.00 cents for  
11 each cigarette and little cigar sold, used, or possessed by a wholesaler or dealer on and after  
12 January 1, 2026.

13 **Offered Amendments:**

14 Section 1. Section 245-3(a)(12), on page 7, line 1, insert "21.00" as follows:

15 (12) 21.00 cents for each cigarette or little cigar sold.

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17 Thank you for the opportunity to testify on this measure.

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<sup>11</sup> Campaign for Tobacco-Free Kids. The Toll of Tobacco in Hawaii. August 16, 2024. <https://www.tobaccofreekids.org/problem/toll-us/hawaii>

<sup>12</sup> *Raise taxes on tobacco*. (n.d.). Retrieved January 31, 2024, from <https://www.who.int/data/gho/data/themes/topics/raise-taxes-on-tobacco>

<sup>13</sup> Act 59, HB1985, CD1, SLH 2010, retrieved 2/01/24 from [https://www.capitol.hawaii.gov/sessions/session2010/bills/HB1985\\_CD1\\_.pdf](https://www.capitol.hawaii.gov/sessions/session2010/bills/HB1985_CD1_.pdf)

<sup>14</sup> HHDW. (2005-2021). Youth Risk Behavior Survey (YRBS) Current smoking- high school. [https://hhdw.org/report/query/result/yrbs/CigsCurr/CigsCurr\\_HS\\_ST.html](https://hhdw.org/report/query/result/yrbs/CigsCurr/CigsCurr_HS_ST.html)

JOSH GREEN M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

Ka 'Oihana 'Auhau  
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GARY S. SUGANUMA  
DIRECTOR

KRISTEN M.R. SAKAMOTO  
DEPUTY DIRECTOR

**TESTIMONY OF  
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

**TESTIMONY ON THE FOLLOWING MEASURE:**

H.B. No. 441, H.D. 2, S.D.1, Relating to Cigarette Taxes

**BEFORE THE:**

Senate Committee on Ways and Means

**DATE:** Monday, March 31, 2025

**TIME:** 10:02 a.m.

**LOCATION:** State Capitol, Room 211

Chair Dela Cruz, Vice-Chair Moriwaki, and Committee Members:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 441, H.D. 2, S.D.1, for your consideration.

Section 2 of H.B. 441, H.D. 2, S.D.1, amends section 245-3, Hawaii Revised Statutes (HRS), by increasing the cigarette tax to 18.00 cents for each cigarette or little cigar sold, used, or possessed by a wholesaler or dealer on and after January 1, 2026.

Section 3 of H.B. 441, H.D. 2, S.D.1, amends section 245-15, HRS, by amending the disposition of cigarette tax revenues after December 31, 2025, and thereafter, as follows:

- 2.0 cents per cigarette to the Hawaii Cancer Research Special Fund;
- The lesser of 1.125 cents per cigarette or \$7,400,000 in a fiscal year to the Trauma System Special Fund;
- The lesser of 1.25 cents per cigarette or \$8,800,000 in a fiscal year to the Community Health Centers Special Fund;
- The lesser of 1.25 cents per cigarette or \$8,800,000 in a fiscal year to the

Emergency Medical Services Special Fund; and

- 2.0 cents per cigarette to the University of Hawaii for the purposes of debt reduction for the Cancer Research Center of Hawaii.

The measure has a defective effective date of December 31, 2050.

DOTAX can administer the changes in this bill by January 1, 2026.

DOTAX estimates no material revenue impact to the general fund.

DOTAX estimates a special fund revenue gain as follows:

**Special Fund Impact (\$ millions)**

FY 2026 (11 months)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
\$4.7	\$4.8	\$4.5	\$4.3	\$4.0	\$3.8

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



## **HB441 HD2 SD1 Cigarette Taxes**

[COMMITTEE ON WAYS AND MEANS](#)

Senator Donovan M. Dela Cruz, Chair

Senator Sharon Y. Moriwaki, Vice Chair

Monday, Mar 31, 2025: 10:02: Room 211 Videoconference

### **Hawaii Substance Abuse Coalition Supports HB441 HD2 SD1:**

*ALOHA CHAIR, VICE CHAIR, AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization for substance use disorder and co-occurring mental health disorder treatment and prevention agencies and recovery-oriented services.*

HSAC supports the increase in cigarette taxes from 16 cents to 18 cents that is customary to happen every few years and is supportive of any efforts to increase the tax.

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*The increase ultimately provides revenue to the state and discourages youth use.*

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HSAC supports that the amount of tax increase go to the Hawaii Cancer research special fund to reduce its debt.

We appreciate the opportunity to provide testimony and are available for questions.



**LATE**

**TESTIMONY OF TINA YAMAKI  
PRESIDENT  
RETAIL MERCHANTS OF HAWAII  
MARCH 31, 2025  
HB 441 HD2 SD1 RELATING TO CIGARETTE TAX**

Aloha, Chair Dela Cruz and members of the Senate Committee on Ways and Means. I am Tina Yamaki, President of the Retail Merchants of Hawaii.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

We respectfully strongly oppose HB 441 HD 2 SD1 Relating to Cigarette Taxes. This measure beginning 1/1/2026, increases the cigarette tax from sixteen cents to eighteen cents and amends the disposition of cigarette tax revenues by allocating the increase in the cigarette tax amount for debt reduction for the Cancer Research Center of Hawai'i; and is effective 12/31/2050. (SD1).

While we acknowledge the importance of funding critical health services such as cancer research, increasing the cigarette tax places a disproportionate financial burden on consumers, particularly lower-income individuals who are already struggling with the high cost of living in Hawai'i.

Additionally, continual increases in the cigarette tax may lead to unintended consequences, including:

**Placing economic harm to many of our small local businesses.** Increasing the cigarette tax places a disproportionate burden on small retailers, who are already struggling with competing prices and maintain sales to sustain their operations and keep their doors open. For businesses already grappling with Hawaii's excessive costs, this increase threatens their viability, potentially leading to job losses and closures in an already fragile economic climate.

**Alternatively having more consumers finding ways to purchase these items on Military Bases and Tax Avoidance.** With numerous military bases in Hawai'i, many residents will turn to friends and family in the military to purchase cigarettes at lower, tax-exempt prices on base. This will further decrease state tax revenue while putting local retailers at a competitive disadvantage.

**Incentivizes shoplifting and a rise in the illegal black-market.** The higher price of these types of goods would only make it more attractive to shoplift. We have seen a significant spike in theft of tobacco and vape products. Excessive tax hikes also create a financial incentive for black-market sales, smuggling, and counterfeit products. This undermines legitimate retailers and reduces the state's overall tax revenue, defeating the purpose of the proposed increase. This not only results in financial losses for businesses but also contributes to a rise in organized retail crime.

**Creating a Regressing Taxation.** In addition, there is a regressive financial impact on consumers. Cigarette taxes disproportionately affect low-income individuals, who endure the most of these

increases. Raising the tax further deepens financial inequities for Hawaii residents already struggling to afford basic necessities in one of the most expensive states in the nation.

**Furthermore, an increase in the cigarette tax is an unstable revenue source for cancer research.** Cigarette consumption has been steadily declining due to increased awareness and existing tax measures. Tying funding for critical research and other special funds to an unstable revenue source creates long-term financial uncertainty for the Hawai'i Cancer Research Special Fund. Alternative, more sustainable funding mechanisms should be considered for this or any other special fund.

By raising the cigarette tax, it is a misguided approach to funding health initiatives. **While addressing cancer and other medical funds is important, it is inappropriate to rely on taxes that disproportionately impact specific populations.** Broader-based funding methods would ensure equity and stability without creating unintended negative consequences.

We recommend exploring more equitable and sustainable funding strategies that do not place undue burdens on businesses and low-income residents or encourage illicit market activity.

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





Senator Donovan Dela Cruz, Chair  
Senator Sharon Moriwaki, Vice Chair  
Members of the Senate Committee on Ways and Means

On behalf of the Coalition for a Tobacco-Free Hawai'i's (CTFH) Youth Council, thank you for allowing us to submit testimony in **strong support of HB441\_HD2\_SD1**.

Tobacco is the leading cause of preventable death in Hawai'i, resulting in 1,400 deaths every year. 95% of smokers start before the age of 21; **raising the cost of a pack of cigarettes by at least a dollar a pack** will make youth think twice about starting and help to break the vicious cycle of addiction among our most vulnerable populations. Raising the cost will also encourage adult smokers to quit.

Native Hawaiians are disproportionately impacted by tobacco. The industry has a troubling history in our island home. From exploiting Native Hawaiian labor on tobacco plantations to the image of sexualized "hula girls" on cigarette advertisements, Big Tobacco has capitalized on Hawai'i's unique culture and legacy of colonialism to turn a profit off the backs of the most vulnerable.

For many, commercial tobacco use has manifested into a coping mechanism, creating a temporary sense of relaxation to deal with struggles like anxiety, body dysmorphia, and even intergenerational trauma, increasing dependence while preserving the underlying symptoms—making tobacco a deadly tool for profit in a worsening crisis of youth and adult mental health. **We urge you to pass HB441 HD2 SD1 and raise the tax by 5 cents per cigarette to ensure the increase has a positive impact on public health in Hawai'i.**

Mahalo,  
Coalition for a Tobacco-Free Hawai'i Youth Council

The CTFH Youth Council is a nationally recognized group of youth leaders fighting to envision and create a Hawai'i centered on uplifting community public health beyond the reaches of Big Tobacco. Our council comprises middle school, high school, and college students, with representation from across Hawai'i's counties.



Hawaii COPD Coalition

P O Box 240053

Honolulu, HI 96824

[hicopd@gmail.com](mailto:hicopd@gmail.com)

(808)699-9839

March 29, 2025

Honorable Chair Senator Donovan Dela Cruz  
Honorable Vice-Chair Senator Sharon Moriwaki  
Members of the Senate Ways and Means

RE: **Support for HB441, HD2, SD1 Relating to Cigarette Taxes, with Amendments**

Dear Chair Dela Cruz, Vice Chair Moriwaki and members of the Senate Ways and Means Committee,

This measure is extremely critical to the health of the children of our state and our entire state as well. **Please pass HB441, HD2, SD1** which would **raise the cigarette tax but AMEND the tax so that it is increased at least \$1 instead of \$.40**. This will help discourage youth use and will use the money collected from the increase for the Cancer Research Fund. Increasing the cigarette tax by at least \$1 will result in 2,400 adults who currently smoke would quit, 100 young adults aged 18-24 would quit and there would be a 7.4% decrease in youth under 18 smoking. In addition, the projected annual revenue from increasing the cigarette tax by \$1.00 per pack in Hawaii would be \$10.84 million, which would be very helpful to the Cancer Research Center of Hawaii in sustaining their critical work!

I am Executive Director of the Hawaii COPD Coalition and serve over 45,000 Hawaii adults diagnosed with COPD in Hawaii (with an estimated equal number still undiagnosed). Chronic Obstructive Pulmonary Disease or COPD is an umbrella of diseases which include emphysema, chronic bronchitis and chronic asthma. Since 2007, I have worked in Hawaii, nationally and internationally with countless people who have had their lungs and lives horribly affected by tobacco and nicotine. Many of these people have become disabled and unable to perform jobs and hobbies they enjoyed, spending a lot more time and resources with healthcare providers and requiring support from society than they or any of us would like.

Research shows conclusively that significant price increases reduce tobacco use among youth. Please help protect the lungs and lives of our children from cigarettes. We urge you to please **vote in favor of HB441, HD2, SD1 WITH RECOMMENDED AMENDMENT and pass it out of committee so our keiki and community will be protected via higher tobacco taxes**. The Hawaii COPD Coalition thanks you very much for your careful consideration of this most important and timely bill.

Very truly yours,

*Valerie Chang*

Valerie Chang  
Executive Director

Monday, March 31, 2025; 10:02 AM  
Conference Room 211 & Video Conference

**Senate Committee on Ways and Means**

To: Senator Donovan Dela Cruz, Chair  
Senator Sharon Moriwaki, Vice Chair

From: Ray Vara  
President & CEO

**Re: Testimony in Support of HB 441, HD2, SD1  
Relating To Cigarette Taxes**

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My name is Ray Vara and I am the President and CEO of Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox and over 70 locations statewide with a mission of creating a healthier Hawai'i.

**I write in support of HB 441, HD2, SD1** which amends the cigarette tax and allocates the increase in the cigarette tax amount to the Hawai'i Cancer Research special fund.

The University of Hawai'i Cancer Research Center (Cancer Center) is the only institution in the Pacific that holds the prestigious National Cancer Institute (NCI) designation. The Cancer Center is one of only 72 NCI designated institutions in the US. The NCI designation 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 Cancer Center is in a unique position to study and address the multi-ethnic causes of cancer and implement culturally tailored interventions and studies aimed at understanding and combating cancer in Hawai'i's diverse population.

The decline in cigarette tax revenue has been due to successful cessation programs in which the Cancer Center has been a collaborative partner. This underscores the need for sustained state support to continue these vital efforts. The declining revenue from the cigarette tax which has resulted from declining cigarette sales has had a negative impact on the Cancer Center's ability to maintain the cutting-edge research it is engaged in. Unless the Cancer Center can compensate for the loss of revenue and obtain the additional funds it will not be in a position to grow its research capacity, attract world-class researchers and clinical investigators, address specialized oncology practice shortages, attract partnerships for clinical trials, and support its ongoing early phase clinical trials.

The incidence of cancer is increasing significantly and could double during the next twenty years. The additional revenue generated by the modest increase in the cigarette tax will allow the Cancer Center to continue to provide innovative clinical trials to Hawai'i residents to prevent and treat cancer and to ensure the Cancer Center's long-term success in addressing cancer-related challenges for patients in Hawai'i and the Pacific region.

Thank you for the opportunity to testify.



## THE QUEEN'S HEALTH SYSTEMS

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To: The Honorable Donovan M. Dela Cruz, Chair  
The Honorable Sharon Moriwaki, Vice Chair  
Members, Senate Committee on Ways and Means

From: Jason Chang, President & CEO, The Queen's Health Systems

Jace Mikulanec, Director, Government Relations, The Queen's Health Systems

Date: March 31, 2025

Re: Support for HB441 HD2 SD1: Relating to Cigarette Taxes

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The Queen's Health Systems (Queen's) is a nonprofit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, and more than 10,000 affiliated physicians, caregivers, and dedicated medical staff statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's appreciates the opportunity to provide testimony in support of HB441 HD2 SD1, which increases the cigarette tax and amends the cigarette tax disposition of revenues by allocating the increase in the cigarette tax amount to the Hawaii Cancer Center Research Special Fund.

The Queen's Medical Center is a long-standing member of the University of Hawaii Cancer Consortium, of which members have a common goal to eliminate cancer through research. The UH Cancer Center is one of only 72 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawaii with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawaii and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

Thank you for the opportunity to testify in support of this measure.

*The mission of The Queen's Health System is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.*



## HIPHI Board

May Okihiro, MD, MS  
Chair

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Department of Pediatrics

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Misty Pacheco, DrPH  
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Kathleen Roche, MS, RN, CENP  
Kaiser Permanente

Dina Shek, JD

Medical-Legal Partnership  
For Children in Hawai'i

Garret Sugai  
HMSA

JoAnn Tsark, MPH

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

## HIPHI Initiatives

Coalition for a  
Tobacco-Free Hawai'i

Community-Based Research &  
Evaluation

Community Health  
Worker Initiatives

COVID-19 Response

Environmental Health

Hawai'i Drug & Alcohol-Free Coalitions

Hawai'i Farm to School Network

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective/Healthy Aging &  
Community Living

Public Health Workforce Development

Date: March 29, 2025

To: Senator Donovan M. Dela Cruz,, Chair  
Senator Sharon Y. Moriwaki, Vice Chair  
Members of the Senate Committee on Ways and Means

RE: Support with Amendments for HB 441 HD2 SD1, Relating to Cigarette Taxes

Hrg: Monday, March 31, 2025 at 10:02 AM, Room 211

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The Coalition for a Tobacco-Free Hawai'i, a program of the Hawai'i Public Health Institute,<sup>1</sup> is in **support of HB 441 HD2 SD1 with amendments**, which would increase the cigarette tax to deposit revenue to be payable to the University of Hawai'i for the purpose of debt reduction for the Cancer Research Center of Hawai'i.

***We respectfully ask you to consider an amendment to raise the tax on cigarettes by \$1 per pack (or 21 cents per stick) to maximize the bill's benefit for public health. We suggest adopting the bill language from HB 1085.***

Raising taxes on cigarettes is a proven strategy to help reduce cigarette use and dependence, and can be a benefit for public health when that increase is at the rate of \$1 per pack.<sup>2</sup> Small tax increases do not produce the same public health benefit because the tobacco industry can easily offset the beneficial impact of a small tax increase with temporary price cuts and coupons. One projected outcome with a \$1 increase in the cost of a pack of cigarettes would result in approximately 2,000 adults in our state quitting smoking.<sup>2</sup>

### **The burden of tobacco in Hawai'i.**

Tobacco-related disease continues to be the leading cause of preventable death in the United States, resulting in 480,000 deaths annually, with 1,400 of those deaths happening each year in Hawai'i.<sup>3</sup> At the population level, 10% of adults in Hawai'i are still smoking cigarettes according to our most recent survey data; ten years prior the rate was 14.6%. Although we've seen a decline, health inequities still exist, and our Native Hawaiian adult smoking rate is much closer to 20%.<sup>4</sup> In addition, tobacco-related diseases cost Hawai'i \$611M in healthcare costs.

### **Tobacco taxes protect youth.**

When the price of goods increases, price-sensitive youth buy them less. The last time Hawai'i raised the cigarette tax was over 13 years ago in 2011, a decline in youth use followed. In 2011, 10% of youth reported currently using cigarettes. By 2019, 5% of youth reported currently using cigarettes.<sup>5</sup> The projected outcome with a \$1 increase in the cost of a pack



of cigarettes would be a 7.4% decrease in youth (under 18) smoking, and 100 young adults (18-24) would quit smoking.<sup>6</sup>

**A cigarette tax increase is overdue.**

The cigarette tax was last raised in July 2011. Increasing cigarette taxes regularly corrects for inflation and consumer purchasing power. Likewise, raising the taxes on other tobacco products must be done in tandem to reduce consumption and dependence on tobacco products. This increase helps to stop youth from using cigarettes and encourages adults to quit.

According to an independent poll conducted by Ward Research on behalf of the Coalition, 78% of registered Hawai'i voters support an increase in cigarette taxes, and 89% feel that it is important for the state to dedicate part of its tobacco tax revenue to support tobacco prevention and cessation programs.<sup>7</sup> Currently, no revenue from tobacco taxes is appropriated for tobacco prevention and cessation. When the price of tobacco increases, more people seek help to quit and we need to ensure programs are available and accessible by the public to help them quit. Populations that continue to experience higher rates of smoking would be the primary beneficiaries of these prevention and cessation activities, helping to provide resources needed to quit smoking and to help cut the high costs associated with tobacco use. We humbly ask that a portion of the proposed tobacco tax revenue be dedicated to supporting tobacco prevention and cessation programs.

We applaud the Legislature for helping to strengthen the health of our state by considering this measure. The Coalition supports HB 441 HD2 SD1 and asks you to pass this measure out of committee with the requested amendments.

Mahalo,

A handwritten signature in black ink that reads 'Kevin Ramirez'.

Kevin Ramirez  
Coalition for a Tobacco-Free Hawai'i Program Manager  
Hawai'i Public Health Institute

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<sup>1</sup> 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.

<sup>2</sup> Boonn, A., Chaloupka, F. J., & Henkle, D. (2025). (publication). New Revenues, Public Health Benefits & Cost Savings From a \$1.00 Cigarette Tax Increase in Hawaii.



3 Centers for Disease Control and Prevention. (2023, May 4). *Burden of cigarette use in the U.S.* Centers for Disease Control and Prevention.

<https://www.cdc.gov/tobacco/campaign/tips/resources/data/cigarette-smoking-in-united-states.html>

3 *The toll of tobacco in Hawaii.* Campaign for Tobacco-Free Kids. (2024, August 16).

<https://www.tobaccofreekids.org/problem/toll-us/hawaii>

4 Hawaii Health Matters. (2024, February). *Hawaii health matters.* Hawaii Health Matters :: Indicators :: Adults Who Smoke Cigarettes :: State : Hawaii.

<https://www.hawaiihealthmatters.org/indicators/index/view?indicatorId=8&localeId=14&localeChartIdx=1|6>

5 Hawaii Health Matters. (n.d.). *Hawaii health matters.* Hawaii Health Matters :: Indicators :: Teens Who Smoke Cigarettes :: State : Hawaii.

<https://www.hawaiihealthmatters.org/?module=indicators&controller=index&action=view&comparisonId=&indicatorId=2584&localeType=1&localeId=14&periodId=244>

6 Boonn, A., Chaloupka, F. J., & Henkle, D. (2025). (publication). *New Revenues, Public Health Benefits & Cost Savings From a \$1.00 Cigarette Tax Increase in Hawaii.*

7 This study by Ward Research, Inc. summarizes findings from a phone survey among n=700 Hawai'i registered voters (maximum sampling error +/- 3.7%), conducted between October 25 to November 22, 2024.





## Hawaii Medical Association

1360 South Beretania Street, Suite 200 • Honolulu, Hawaii 96814  
Phone: 808.536.7702 • Fax: 808.528.2376 • hawaiimedicalassociation.org

### SENATE COMMITTEE ON WAYS AND MEANS

Senator Donovan M Dela Cruz, Chair  
Senator Sharon Y Moriwaki, Vice Chair

Date: March 31, 2025  
From: Hawaii Medical Association (HMA)  
Jerald Garcia MD - Chair, HMA Public Policy Committee

### **RE HB 441 HD2 SD1 Relating to Cigarette Taxes-** Cigarette Tax; Hawai'i Cancer Research Special Fund; Tax Increase; Revenue; Disposition; Debt Reduction **Position: Support**

This measure would beginning 1/1/2026, increase the cigarette tax from sixteen cents to eighteen cents and amend the disposition of cigarette tax revenues by allocating the increase in the cigarette tax amount for debt reduction for the Cancer Research Center of Hawai'i.

Smoking is the number one cause of preventable disease and death worldwide. In Hawaii, smoking-related healthcare costs \$611 million per year, and smoking causes most lung cancers, with nearly 9 out of 10 lung cancers deaths caused by smoking cigarettes or secondhand smoke exposure.

State agencies, healthcare professionals, health systems and insurers will continue to work together with lawmakers to reduce smoking and the associated cancer burden in Hawaii. The UH Cancer Center is an important partner in Hawaii's progress for prevention, diagnosis and treatment of smoking related cancers. Modest increases in tax on tobacco products can not only induce some smokers to quit and deter others from starting, but also support Hawaii patient counseling, cessation remedies and vital Hawaii cancer research. HMA supports this measure that can both reduce the harmful effects of smoking in our community and support ongoing cancer initiatives in our state.

Thank you for allowing the Hawaii Medical Association to testify in support of this measure.

### References and Quick Links

#### **2025 Hawaii Medical Association Officers**

Elizabeth Ann Ignacio, MD, President • Nadine Tenn-Salle, MD, President Elect • Angela Pratt, MD, Immediate Past President  
Jerris Hedges, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

#### **2025 Hawaii Medical Association Public Policy Coordination Team**

Jerald Garcia, MD, Chair  
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

Centers for Disease Control and Prevention. Smoking and Cancer. <https://www.cdc.gov/tobacco/campaign/tips/diseases/cancer.html> Accessed Jan 25 2025.

American Lung Association. "State of Lung Cancer" report. <https://www.lung.org/research/state-of-lung-cancer/states/hawaii#:~:text=The%20percent%20of%20people%20alive,in%20Hawaii%20improved%20by%2029%25>. Accessed Jan 25 2025.

Ueno N. Raise tax 2 cents to fund cancer research. [Honolulu Star Advertiser Jan 19 2025](#). Accessed Jan 25 2025.

#### **2025 Hawaii Medical Association Officers**

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#### **2025 Hawaii Medical Association Public Policy Coordination Team**

Jerald Garcia MD, Chair  
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director



**LATE**

Committee on Ways and Means  
Senator Donovan Dela Cruz, Chair  
Senator Sharon Moriwaki, Vice Chair

Hearing Date: Monday, March 31, 2025

**ACS CAN COMMENTS WITH AMENDMENTS HB 441 HD2 SD1 – RELATING TO CIGARETTE TAXES.**

Cynthia Au, Government Relations Director – Hawai'i Guam  
American Cancer Society Cancer Action Network

Thank you for the opportunity to **COMMENT WITH AMENDMENTS** HB 441 HD2 SD1: Relating to Cigarette Taxes.

The American Cancer Society Cancer Action Network (ACS CAN), the nonprofit, non-partisan advocacy affiliate of the American Cancer Society advocates for public policies that reduce death and suffering from cancer. 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.

ACS CAN supports increased funding for the University of Hawai'i Cancer Center (UH Cancer Center). This year, more than 9,000 residents from Hawai'i will be diagnosed with cancer, with more than 2,000 residents expected to die from the disease. Projections in 2025 mark an uptick in cases, but a decline in deaths compared to 2024.

The UH Cancer Center provides important cancer research, access to life-saving treatment including clinical trials which play a critical role in reducing the cancer burden for multi-ethnic residents. Sustainability of the National Cancer Institute (NCI) designated UH Cancer Center is vital for cancer screening, prevention, treatment, and education, significantly reducing the cancer burden in Hawai'i and the Pacific. UH Cancer Center is the only NCI-designated cancer center in the Pacific and top 4% of all cancer centers in the U.S.

ACS CAN calls on you to increase the amount of the cigarette tax increase contained in this bill to a 5 cent per cigarette increase (or a \$1.00 per pack of cigarettes increase). Increasing the tax on cigarettes by \$1.00 per pack would generate \$10.84 million in new annual revenue as well as reduce youth smoking by 6.9%, help 2,000 adults who smoke quit, and save 500 lives. The cigarette tax has not increased since 2011. This would allow additional funding for the UH Cancer Center while improving the health of our state by reducing tobacco use.

Should you have any questions, please do not hesitate to contact Government Relations Director Cynthia Au at [Cynthia.Au@Cancer.org](mailto:Cynthia.Au@Cancer.org) or 808.460.6109.



## NEW REVENUES, PUBLIC HEALTH BENEFITS & COST SAVINGS FROM A \$1.00 CIGARETTE TAX INCREASE IN HAWAII

- The current state cigarette tax is \$3.20 per pack (8<sup>th</sup> among all states and DC).
- Annual health care expenditures in Hawaii directly caused by tobacco use are \$611 million.

**Projected New Annual Revenue from Increasing the Cigarette Tax by \$1.00 Per Pack: \$10.84 million**

New Annual Revenue is the amount of additional new revenue the first full year the tax increase is in effect. The state will collect less new revenue if it fails to apply the rate increase to all cigarettes and other tobacco products held in wholesaler and retailer inventories on the effective date.

Projected Public Health Benefits for Hawaii from the Cigarette Tax Rate Increase	
<b>Percent decrease in youth (under age 18) smoking:</b>	<b>6.9%</b>
<b>Youth under age 18 kept from becoming adults who smoke:</b>	<b>500</b>
<b>Reduction in young adults who smoke (18-24 years old):</b>	<b>100</b>
<b>Current adults who smoke who would quit:</b>	<b>2,000</b>
<b>Premature smoking-caused deaths prevented:</b>	<b>500</b>
<b>5-Year reduction in the number of smoking-affected pregnancies and births:</b>	<b>80</b>
<b>5-Year health care cost savings from fewer smoking-caused lung cancer cases:</b>	<b>\$360,000</b>
<b>5-Year health care cost savings from fewer smoking-affected pregnancies and births:</b>	<b>\$190,000</b>
<b>5-Year health care cost savings from fewer smoking-caused heart attacks &amp; strokes:</b>	<b>\$220,000</b>
<b>5-Year Medicaid program savings for the state:</b>	<b>\$990,000</b>
<b>Long-term health care cost savings from adult &amp; youth smoking declines:</b>	<b>\$31.80 million</b>

12.24.24 ACS CAN / January 24, 2025

- Small tax increase amounts do not produce significant public health benefits or cost savings because the cigarette companies can easily offset the beneficial impact of such small increases with temporary price cuts, coupons, and other promotional discounting. Splitting a tax rate increase into separate, smaller increases in successive years will similarly diminish or eliminate the public health benefits and related cost savings (as well as reduce the amount of new revenue).
- Raising state tax rates on other tobacco products (OTPs), including e-cigarettes, to parallel the increased cigarette tax rate will bring the state additional revenue, public health benefits, and cost savings (and promote tax equity). With unequal rates, the state loses revenue each time someone who smokes cigarettes switches to other tobacco products taxed at a lower rate. To parallel the new \$4.20 per pack cigarette tax, the state's new OTP tax rate should be a percentage of the wholesale price with minimum tax rates for each major OTP category linked to the state cigarette tax rate on a per-package or per-dose basis.

## **Explanations & Notes**

Health care costs listed at the top of the page are from the U.S. Centers for Disease Control and Prevention (CDC). Annual health care expenditures in Hawaii directly caused by tobacco use are in 2018 dollars and are based on the CDC's 2014 *Best Practices for Comprehensive Tobacco Control Programs*.

Projections are based on research findings that nationally, each 10% increase in the retail price of cigarettes reduces youth smoking by 6.5%, young adult prevalence by 3.25%, adult prevalence by 2%, and total cigarette consumption by about 4% (adjusted down to account for tax evasion effects). However, the impact of the tax increase varies from state-to-state, based on the starting pack price. Significant tax increases generate new revenues because the higher tax rate per pack brings in more new revenue than is lost from the tax-related drop in total pack sales.

The projections also incorporate the effect of ongoing background smoking declines, population distribution, and the continued impact of any industry pricing changes, state cigarette tax increases, or other changes in cigarette tax policies on prices, smoking levels, and pack sales.

These projections are fiscally conservative because they include a generous adjustment for lost state pack sales (and lower net new revenues) from possible new smuggling and tax evasion after the rate increase and from fewer sales to people who smoke or smugglers from other states, including sales on tribal lands. For ways that the state can protect and increase its tobacco tax revenues and prevent and reduce contraband trafficking and other tobacco tax evasion, see the Campaign for Tobacco-Free Kids (CTFK) factsheet, *State Options to Prevent and Reduce Cigarette Smuggling and to Block Other Illegal State Tobacco Tax Evasion*, <https://www.tobaccofreekids.org/assets/factsheets/0274.pdf>.

Projected numbers of youth prevented from smoking and dying are based on all youth ages 17 and under alive today. Projected reduction in young adults who smoke refers to young adults ages 18-24 who would not start smoking or would quit as a result of the tax increase. Savings to state Medicaid programs include estimated changes in enrollment due to the expiration of pandemic-related federal legislation prohibiting states from removing enrollees. Long-term cost savings accrue over the lifetimes of persons who stop smoking or never start because of the tax rate increase. All cost savings are in 2025 dollars.

Projections for cigarette tax increases much higher than \$1.00 per pack are limited, especially for states with relatively low current tax rates, because of the lack of research on the effects of larger cigarette tax increase amounts on consumption and prevalence. Projections for cigarette tax increases much lower than \$1.00 per pack are also limited because small tax increases are unlikely to produce significant public health benefits.

Ongoing reductions in state smoking rates will, over time, gradually erode state cigarette tax revenues, in the absence of any new rate increases. However, those declines are more predictable and less volatile than many other state revenue sources, such as state income tax or corporate tax revenues, which can drop sharply during recessions. In addition, the smoking declines that reduce tobacco tax revenues will simultaneously produce much larger reductions in government and private sector smoking-caused health care and other costs over time. See the CTFK factsheet, *Tobacco Tax Increases are a Reliable Source of Substantial New State Revenue*, <https://www.tobaccofreekids.org/assets/factsheets/0303.pdf>.

The projections in the table on this fact sheet were generated using an economic model developed jointly by Economics for Health, the Campaign for Tobacco-Free Kids, the American Cancer Society Cancer Action Network, and are updated annually. The projections are based on economic modeling by researchers with Economics for Health: Frank Chaloupka, Ph.D., and John Tauras, Ph.D., at the Institute for Health Research and Policy at the University of Illinois at Chicago, Jidong Huang, Ph.D., at Georgia State University, and Michael Pesko, Ph.D., at the University of Missouri. The state Medicaid cost savings projections, when available, are based on enrollment and cost estimates by Elizabeth Zhang and Gideon Lukens at the Center on Budget and Policy Priorities using data from the Centers for Medicare and Medicaid Services.

For other ways states can increase revenues (and promote public health) beyond just raising cigarette tax rates, see the CTFK factsheet, *The Many Ways States Can Raise Revenue While Also Reducing Tobacco Use and Its Many Harms & Costs*, <https://www.tobaccofreekids.org/assets/factsheets/0357.pdf>.

***Additional information and resources to support tobacco tax increases are available at:***

***<https://www.tobaccofreekids.org/what-we-do/us/state-tobacco-taxes/fact-sheets>***

***<http://fightcancer.org/tobacco/taxes/>***

***<https://www.economicsforhealth.org/>***

***For more on sources and calculations, see <https://www.tobaccofreekids.org/assets/factsheets/0281.pdf> or <https://www.fightcancer.org/policy-resources/state-tobacco-tax-increases-explanations-and-sources-projections-new-revenues>.***

## Cigarette Tax Increases That Deliver: \$1.00 or More Per Pack are Needed to Ensure a Public Health Impact

The American Cancer Society Cancer Action Network (ACS CAN) supports a comprehensive approach to tobacco control that includes significantly increasing excise taxes on all forms of tobacco. Regular, significant excise tax increases of \$1.00 or more per pack of cigarettes are one of the most effective ways to prevent kids from starting to use cigarettes and to help adults quit. Tobacco excise taxes can also reduce tobacco-related health disparities among people with limited incomes, pregnant persons and among racial and ethnic populations.<sup>i,ii,iii</sup>

## To Discourage Cigarette Use Excise Tax Increases Must be High Enough to Impact Price

In order for cigarette excise tax increases to help people quit and prevent youth from ever starting the increases must be large enough to significantly impact the price of cigarettes for consumers. While cigarette excise tax increases of smaller amounts may generate small amounts of additional revenue, they fail to significantly reduce tobacco use.

## The Tobacco Industry Uses Coupons and Discounts to Actively Undermines Excise Tax Increases

The goal of tobacco companies is to protect profits by getting and keeping people addicted to tobacco.<sup>iv</sup> Significant increases to cigarette excise taxes run counter to this goal. Therefore, when cigarette excise taxes are increased, major tobacco companies flood the market with coupons and discounts, such as “buy-one-get-one-free” offers, to keep the overall cost of tobacco products low discourage consumers from quitting. In fact, the tobacco industry now spends most of its marketing dollars on price-reducing tactics known to be most appealing to individuals with limited-income and other price-sensitive individuals, like kids.<sup>v</sup>



American Cancer Society Cancer Action Network | 655 15th Street, NW, Suite 503 | Washington, DC 20005

 @ACSCAN |  @ACSCAN | [fightcancer.org](https://fightcancer.org)

Significant excise tax increases of at least \$1.00 or more per pack of cigarettes are needed to prevent these price-reducing tactics and achieve the public health goal of reducing tobacco use. Cigarette excise tax increases of less than \$1.00 per pack allow the industry to easily offset any price hikes with coupons, discounts, and other price-lowering sales promotions.

In the last 24 years, the percent of total cigarette marketing dollars spent by the industry on all its price-reducing tactics has grown significantly. In fact, in 2021 the two largest spending categories for cigarette marketing were retail and wholesale price discounts – despite the total number of cigarettes sold reducing by 6.7% in 2021 from 2020. Payments to retailers and wholesalers for price discounts and promotional allowances combined totaled \$7.65 billion, or 94.9% of all cigarette marketing dollars in 2021.<sup>vi</sup> Tobacco manufacturers continue to rely heavily on price-reducing tactics to not only undermine tobacco excise tax increases, but research has shown these strategies also encourage smoking initiation and hinder smoking cessation attempts.<sup>vii,viii</sup>



## ACS CAN's Position

Increases in cigarette excise taxes of at least \$1.00 per pack will ensure a public health impact of reducing tobacco use is achieved, despite industry attempts to offset price increases and keep prices low. Increases higher than \$1.00 per pack can deliver health and revenue benefits for the state. ACS CAN recommends directing new tobacco excise tax revenues to fund fact-based tobacco prevention and cessation programs to further amplify the public health benefits of the excise tax increase. Lastly, there should be tax parity for all tobacco products, including e-cigarettes, pipe tobacco, cigars, snus, hookah and all other smokeless tobacco products.

<sup>i</sup> The Community Guide. Tobacco Use: Interventions to Increase the Unit Price for Tobacco Products. November 2012. Retrieved from <https://www.thecommunityguide.org/findings/tobacco-use-interventions-increase-unit-price-tobacco>.

<sup>ii</sup> Centers for Disease Control and Prevention (CDC). Response to increases in cigarette prices by race/ethnicity, income, and age groups--United States, 1976-1993. *MMWR Morb Mortal Wkly Rep.* 1998 Jul 31;47(29):605-9. PMID: 9699809.

<sup>iii</sup> Ringel, J.S., and Evans, W. "Cigarette Taxes and Smoking During Pregnancy," *Am J Public Health*, 2001 November; 91(11): 1851-1856. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1446890/>.

<sup>iv</sup> For a review of how tobacco companies view the corporate impact of cigarette tax increases, see: Campaign for Tobacco-Free Kids: "Raising Cigarette Taxes Reduces Smoking, Especially Among Kids (and the Cigarette Companies Know it)." Updated March 15, 2021. <https://www.tobaccofreekids.org/assets/factsheets/0146.pdf>.

<sup>v</sup> Regarding the effect of price discounts on population segments, see: Xu, X., Wang, X., Caraballo, R. "Is Every Smoker Interested in Price Promotions? An Evaluation of Price-Related Discounts by Cigarette Brands," *J Public Health Management Practice*, 2016, 22(1), 20-28.

<sup>vi</sup> U.S. Federal Trade Commission (FTC), Cigarette Report for 2021, January 2023, [https://www.ftc.gov/system/files/ftc\\_gov/pdf/p114508cigarettereport2021.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/p114508cigarettereport2021.pdf) [data for top 4 manufacturers only: Altria Group, Inc.; ITG Holdings USA Inc.; Reynolds American, Inc.; and Vector Group Ltd.].

<sup>vii</sup> Wang Y, Duan Z, Weaver SR, Self-Brown SR, Ashley DL, Emery SL, Huang J. The Short-Term and Long-Term Associations Between Receiving Tobacco Discounts or Coupons and Smoking Cessation Among U.S. Adult Cigarette Smokers With Intention to Quit. *Nicotine Tob Res.* 2023 Mar 22;25(4):699-708. doi: 10.1093/ntr/ntac216. PMID: 36124654; PMCID: PMC10032185.

<sup>viii</sup> Liber AC, Sánchez-Romero LM, Cadham CJ, Yuan Z, Li Y, Oh H, Cook S, Warner KE, Henriksen L, Mistry R, Meza R, Fleischer NL, Levy DT. Tobacco Couponing: A Systematic Review of Exposures and Effects on Tobacco Initiation and Cessation. *Nicotine Tob Res.* 2022 Oct 17;24(10):1523-1533. doi: 10.1093/ntr/ntac037. PMID: 35143678; PMCID: PMC9575981.

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Updated 7.07.23



**HB-441-SD-1**

Submitted on: 3/28/2025 5:25:39 PM

Testimony for WAM on 3/31/2025 10:02:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
William L. Goo	Testifying for Cigar Association of America	Oppose	Written Testimony Only

Comments:

Oppose.

**HB-441-SD-1**

Submitted on: 3/28/2025 8:42:19 PM

Testimony for WAM on 3/31/2025 10:02:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lynn Murakami Akatsuka	Individual	Support	Written Testimony Only

Comments:

I strongly support HB 441, HD 2, SD 1 that would increase the cigarette tax from \$0.16 to \$0.18 per cigarette. With the reduction of cigarette tax allocation to the UH Cancer Center with the success of smoking cessation efforts; this bill's cigarette tax increase would restore funding that would expand cancer research, to provide and fund clinical trials for residents and patients in Hawai'i, Asia, and our Pacific Island neighbors as well as advancing disease prevention and community outreach.

We are very fortunate to have a National Cancer Institute-designated cancer center in Hawai'i. It is accessible for all to get the care, clinical trials, evidence-based interventions, and the hope to survive with family and friends nearby. The cost of going to the mainland, if our UH Cancer Center was not here, for these types of services would be a financial hardship and a barrier to pursue cancer interventions.

Thus, I strongly support HB 441, HD 2, SD 1 passage this legislative session. It is the right thing to do. Cancer has touched our lives whether it's been a family member, friend or colleague. Please support the UH Cancer Center's continued funding to do what the cigarette tax fund's inception started in 2006 for Hawai'i.

Thank you for the opportunity to submit my testimony.

**HB-441-SD-1**

Submitted on: 3/28/2025 11:25:18 PM

Testimony for WAM on 3/31/2025 10:02:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
B.A. McClintock	Individual	Support	Written Testimony Only

Comments:

Please support this bill. Mahalo.

March 31, 2025

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means. Mahalo for this opportunity to submit testimony in support of the intent of HB 441, HD2, SD1 Relating to Taxation, but urging an amendment to increase the proposed tax amount to \$1.00 per pack, or 5-cents per stick, to fully recognize the health benefits of such a tax increase.

Tobacco taxes have long been proven as an effective way to reduce tobacco consumption, especially among price sensitive young people and people from lower income populations.

Because smoking levels are highest among people with low incomes, the cigarette companies have tried to argue against tobacco taxes as regressive and falling disproportionately hard on lower-income families and communities. But this argument turns reality upside down. The fact that smoking rates are highest among lower-income groups means that lower-income families and communities currently suffer the most from tobacco use and will, consequently, benefit the most from any effective new measures to reduce tobacco consumption, including increased state tobacco taxes.

While tobacco tax increases that raise cigarette prices prevent and reduce smoking among all income groups, they work most powerfully to prompt lower-income smokers to quit or cutback, and to stop lower-income kids from ever starting. As a result, low-income families and communities will not be the victims of a cigarette tax increase but its biggest beneficiaries.

The cigarette companies' regressivity argument fails to account for each of the following facts.

- Increases to state tobacco tax rates will not place any new financial burdens of any kind on the 90 percent of Hawaii adults who neither smoke cigarettes nor buy them.
- While new cigarette tax increases will raise cigarette prices, many current smokers will avoid the higher prices by quitting or cutting back on consumption and lower-income smokers are much more likely than higher-income smokers to quit or cut back in response to price increases. In fact, all of the smokers who quit and many of those who cut back because of cigarette tax increases would actually save money by spending less on cigarettes and to instead invest their dollars on products that potentially can benefit them and their families' health and welfare.
- Those who stop smoking in response to cigarette tax increases would 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). According to the Hawaii Department of Health, smoking-related health care expenditures total more than \$209,957 per Hawaii smoker. Smoking rate declines resulting from a \$1 per pack state cigarette tax increase would directly reduce these tobacco-caused tax burdens.
- Any significant state cigarette tax increase also would bring in millions of dollars per year in new government revenues, thereby reducing pressures for other, broader-based tax increases and possibly even making broad-based tax cuts more likely. Cigarette tax increases are also often used as an alternative to cuts to the funding of state government programs that serve low-income communities.
- The smoking declines produced by cigarette tax increases save lives, reduce human suffering, promote the public health, and prevent more kids from becoming addicted to smoking or ultimately dying from it – and these results are disproportionately experienced among low-income persons,

families, and communities.

- Low-income smokers and their communities would also disproportionately benefit if any of the new revenues from cigarette tax increases were directed to new programs to help people quit smoking and prevent kids from starting – both because smoking is more prevalent among low-income persons and because lower-income persons currently have much less access or exposure to any such programs than people with higher incomes.

Cigarette companies say that they oppose higher cigarette taxes because they care about low-income families and the poor. But these are the same companies that have been preying on low-income and poor communities for decades. The companies' efforts to “protect” low-income smokers from higher cigarette taxes is not only patronizing but a self-serving smokescreen designed to protect cigarette company profits and continue smoking-caused costs and harms.

Opposing arguments will be made that an increase in the cigarette tax will negatively impact state revenue. However, according to the Campaign for Tobacco-Free Kids, annual health care costs to Hawaii directly caused by smoking totals \$611 million. Annual Medicaid costs to Hawaii caused by smoking amounts to \$152.3 million. Hawaii residents' state & federal tax burden from smoking-caused government expenditures totals \$955 per person annually. And smoking-caused productivity losses in Hawaii are \$1.1 billion. These amounts do not include health costs caused by exposure to secondhand smoke, smoking-caused fires, or use of non-cigarette tobacco products. Productivity losses are from smoking-caused premature death and illness that prevent people from working. Tobacco use also imposes costs such as damage to property. Clearly, cigarette tax revenue (\$64,013,496 in 2024) pales in comparison to the cost of tobacco use to Hawaii.

Finally, the Hawaii legislature last increased Hawaii’s cigarette tax in 2006, staggering its implementation over five years (a stipulation that favored tobacco companies which allowed them to offset the impact of the tax by offering discount coupons to consumers. The staggered implementation also weakened the potential positive health impact by keeping cigarettes more affordable to existing users, as well as to new potential young users targeted by the companies). Since that time, inflation has decreased significantly not only the value of the cigarette tax in terms of tax revenue value, but particularly in terms of its positive health impact. It’s time to boost cigarette taxes by a minimum of \$1.00 per pack (the lowest amount determined by economic experts to have a meaningful health impact by making it difficult for tobacco companies to dull that health impact through the short-term use of discount offers) to again benefit from the consumption reduction and health benefits for which the tax is intended.

I urge you to support HB 441, HD 2, SD1, but to amend the bill by increasing the tax by a minimum one-time \$1.00 per pack (5 cents per stick).

Respectfully submitted,

Don Weisman  
Kailua, HI

## HB 441 HD2 SD1 Relating to Cigarette Taxation

To: Senate WAM Committee:

I am submitting this testimony in support of HB 441 HD2 SD1 as a long-time Kauai pediatrician concerned with the health of the Hawaii population, both children and adults. There is ample research concerning the benefit of increasing cigarette taxes. The research supports the fact that the larger the tax increase, the greater the benefit will accrue related to cigarette use, both short and long term improved health, decreased state health costs, and increase in state revenue. An increase of \$1.00 per pack will generate \$11.46 million per annum and a long-term savings in health care expenses of \$611 million. The projected decrease in youth cigarette smoking by increasing cigarette taxes to \$1/ pack is 7.4%.

I am encouraged that the State Legislature is attacking the problem of tobacco use by using this taxation tool. It has proven to be quite successful in the past on Kauai.

Respectfully submitted,  
Linda Weiner, MD  
Kauai

**HB-441-SD-1**

Submitted on: 3/29/2025 11:06:38 AM

Testimony for WAM on 3/31/2025 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Bryan Mih	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Bryan Mih and I am a parent, pediatrician, and the medical director of the Kapi’olani Smokefree Families Program. For the health of our keiki and their families, it is vitally important to support HB441. This bill increases the cigarette tax and supports the Cancer Research Special Fund.

The American Academy of Pediatrics (AAP) strongly supports regulation and taxation of tobacco and nicotine products to prevent initiation of use, especially by young people. These policies make tobacco and nicotine products less accessible and affordable. Here is an excerpt from the AAP Policy Statement “Protecting Children and Adolescents From Tobacco and Nicotine” *Pediatrics* (2023) 151 (5): e2023061804. <https://doi.org/10.1542/peds.2023-061804> :

“...increasing the price of all tobacco products is one of the most effective methods to prevent or reduce tobacco use. Youth are particularly sensitive to tobacco product price increases, with research suggesting that youth and young adults are 2 to 3 times as responsive to changes in price compared with adults. Increasing excise taxes on tobacco products is especially effective in discouraging initiation among young people who have not developed tobacco use disorder, thus protecting their health and increasing their likelihood of remaining tobacco-free. Increasing the tobacco tax has the benefit of both raising the price and providing a source of funds that can be used for tobacco control programs, helping states capture health care–related cost savings from reductions in associated financial costs from death and disease because of tobacco use.”

Nicotine is a highly addictive drug that impacts the adolescent brain, reducing impulse control and affecting mood. Once young people are addicted to nicotine, it is extremely difficult to quit. Many studies have shown that increased cigarette prices lead to fewer youth smokers and decreased health costs overall.

Finally, it is critical to support the amendments to this bill that increase the tax by at least \$1.00 per pack, which would provide clear benefits in further reducing youth initiation of smoking.

Please support this important measure with the requested amendment. Mahalo for your consideration.

Sincerely,

Bryan Mih, MD MPH FAAP

Pediatrician

Medical Director, Kapi'olani Smokefree Families



**HB-441-SD-1**

Submitted on: 3/29/2025 4:47:32 PM

Testimony for WAM on 3/31/2025 10:02:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Colleen Fox	Individual	Support	Written Testimony Only

Comments:

Please support with an admendment to increase the tax to \$1.00 per pack or 5 cents per cigaratte so it will have help prevent and reduce smoking.

**HB-441-SD-1**

Submitted on: 3/29/2025 7:41:33 PM

Testimony for WAM on 3/31/2025 10:02:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Andrew Lum	Individual	Support	Written Testimony Only

Comments:

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

My name is Andrew Lum, and I am the Director of Fiscal Administration at the University of Hawai‘i Cancer Center. I submit this testimony as an individual and not as a representative of the University of Hawai‘i or the UH Cancer Center.

I strongly support HB441 HD2 SD1 because this bill is about saving lives and ensuring that tobacco-related disease research and prevention receive the funding they desperately need.

Hawai‘i has not increased its cigarette tax since 2011—14 years ago. In that time, the cost of healthcare, research, and education has risen dramatically, but funding for the University of Hawai‘i Cancer Center has not kept pace. Right now, only two cents from every cigarette sold goes to the Cancer Center, and due to inflation, those two cents are worth significantly less today than they were in 2011.

At the same time, tobacco continues to take a devastating toll on our ‘ohana. Native Hawaiians and Pacific Islanders suffer from some of the highest smoking-related cancer rates in the country. The tobacco industry continues to target our most vulnerable communities, profiting off addiction and disease.

Raising the cigarette tax is one of the most effective ways to reduce smoking, particularly among youth and those who want to quit. Research shows that when prices increase, smoking rates drop, leading to fewer cases of cancer and premature deaths.

HB441 HD2 SD1 does more than discourage smoking—it funds critical cancer research and prevention efforts at the University of Hawai‘i Cancer Center. With additional resources, we can work toward a future where fewer families have to experience the pain of losing a loved one to tobacco-related diseases.

It has been 14 years since we last took action on this issue. We cannot afford to wait any longer. I urge you to pass HB441 HD2 SD1 and ensure that we are doing everything we can to protect the health of our people.

Mahalo for your time and consideration.



**HB-441-SD-1**

Submitted on: 3/30/2025 7:06:56 AM

Testimony for WAM on 3/31/2025 10:02:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Michael Ching, MD, MPH, FAAP	Individual	Support	Written Testimony Only

Comments:

As a pediatrician committed to protecting children from the harms of smoking, I support this bill with an amendment to increase the cigarette tax by at least \$1 per pack.

Raising the cigarette tax by at least \$1 per pack is a proven strategy to reduce tobacco use. This increase would lead to:

- 2,000 adults quitting smoking
- 100 young adults (ages 18–24) quitting
- A 6.9% decrease in youth smoking (under 18)
- \$31.8 million in long-term healthcare cost savings from reduced smoking rates

Additionally, the projected annual revenue from this tax increase in Hawai‘i would be \$10.84 million.

Luke Itomura

March 31, 2025

Senate Committee on Ways and Means

### **Testimony in Strong Support of HB441 with Amendments**

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee on Ways and Means,

My name is Luke Itomura, and I am a sophomore at Punahou School. I am submitting testimony in **strong support of HB441 HD2 with amendments** to increase the cigarette tax by **at least \$1.00 per pack**. This increase is a proven and effective public health strategy to reduce tobacco use and protect the health of Hawai'i residents.

Research has consistently shown that smaller tax increases fail to create the significant behavioral changes needed to reduce smoking rates. A \$1.00 increase, however, would have a measurable impact, leading to:

- **2,000 adults who currently smoke quitting**
- **100 young adults (ages 18-24) quitting**
- **A 6.9% decrease in youth under 18 who smoke**
- **\$31.8 million in long-term healthcare cost savings**

Tobacco use remains the leading cause of preventable death in Hawai'i, contributing to chronic illnesses such as heart disease, cancer, and respiratory conditions. **By raising the cigarette tax by at least \$1.00 per pack, we can discourage youth initiation, support adults in quitting, and ultimately reduce the burden of tobacco-related diseases on our communities.**

This policy change is not just about increasing revenue—it is about **saving lives and improving public health**. 1,400 people die of a tobacco-related illness each year in Hawai'i, and this bill presents an opportunity to decrease that number by implementing an evidence-based strategy that will yield long-term health benefits for our communities.

I urge the committees to support HB441 HD2 with an amendment to increase the cigarette tax by \$1.00 per pack.

Thank you for your time and consideration.

Mahalo,  
Luke Itomura

**HB-441-SD-1**

Submitted on: 3/30/2025 9:52:12 AM

Testimony for WAM on 3/31/2025 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
thomas wills	Individual	Support	Written Testimony Only

Comments:

Date: March 30, 2025

From: Thomas A. Wills

Re: Strong Support of HB 441, HD2 , SD1 Relating to Cigarette Taxes

I strongly support HB441, HD2, SD1 which would increase the tax on cigarettes.

I am a faculty member in the Cancer Prevention in the Pacific Program at the University of Hawaii Cancer Center. I have been doing research for over 10 years on cigarette smoking among adolescents and adults in Hawaii. I am testifying as an individual.

I support this bill because of findings from our research on Hawaii adolescents and adults, conducted over the past 10 years. Studies have shown that cigarette smoking is still prevalent in the Hawaii population, even at younger ages. A clear message from our research is that many persons are susceptible to cigarette smoking. This may occur because of family use, friends use, and tobacco company advertising. Once a person starts smoking cigarettes, they are unlikely to quit anytime soon because of the addictiveness of nicotine. Continued smoking through adulthood places them at risk for heart disease and cancer.

Moreover, our research has shown that both e-cigarette use and cigarette smoking are related to a higher likelihood of respiratory disease (asthma and COPD) among Hawaii adolescents and adults. This has been reported in several scientific journals, including Preventive Medicine, Drug and Alcohol Dependence, and Public Library of Science. These findings have been confirmed in a number of independent studies conducted in Asia and the US. Recent evidence reported in the Surgeon General's Report and the New England Journal of Medicine shows that cigarette smoking is linked to several adverse health consequences, including heart disease and cancer.

Because of our research showing multiple on adverse consequences related to cigarette smoking and ethnic differences in rates of smoking (with Native Hawaiians particularly elevated), I urge the Legislature to increase the tax on cigarettes so as to encourage further research on cigarette smoking in Hawaii. Increasing the price is a proven strategy that discourages access to these products. In order to find improved ways of preventing smoking initiation and increasing smoking cessation, the increase in the cigarette tax amount should be allocated to the Hawaii Cancer Research Special Fund.

I strongly support HB 441, HD2, SD1 and urge you to approve this bill.

(s)

Thomas Wills

**LATE**

**HB-441-SD-1**

Submitted on: 3/30/2025 8:11:46 PM

Testimony for WAM on 3/31/2025 10:02:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Elliot Miles	Individual	Support	Written Testimony Only

Comments:

A two-cent increase doesn't seem to be enough. Make it a dollar at least. Do the same for alcohol.



**LATE**

**HB-441-SD-1**

Submitted on: 3/31/2025 4:00:49 AM

Testimony for WAM on 3/31/2025 10:02:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Josh Fowler	Individual	Support	Written Testimony Only

Comments:

Chair, Vice Chair, and Members of the Committee:

I write in strong support of HB441 SD1, which increases the cigarette tax and directs much-needed funding to the Hawaii Cancer Research Center. The Center is a vital part of our public health infrastructure, especially for Native Hawaiian and Pacific Islander populations who experience higher cancer rates and worse outcomes.

However, I urge the committee to consider a stronger and more effective step: a \$1 increase per pack, not just 2 cents per cigarette. This would:

Further reduce smoking, especially among youth,

Generate significantly more funding for cancer research and debt reduction, and

Align Hawaii with other leading states in tobacco control policy.

Every dollar spent preventing cancer today saves many more in treatment and loss of life tomorrow.

Mahalo for your consideration.