

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

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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, Relating to Cigarette Taxes

BEFORE THE:

Senate Committees on Health & Human Services and Higher Education

DATE: Wednesday, March 19, 2025

TIME: 1:00 p.m.

LOCATION: State Capitol, Room 225

Chairs San Buenaventura and Kim, Vice-Chairs Aquino and Kidani, and Committee Members:

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

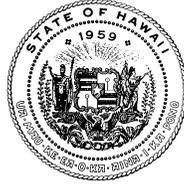
H.B. 441, H.D. 2 amends section 245-3(a), Hawaii Revised Statutes (HRS), to increase the cigarette tax to an unspecified amount for each cigarette or little cigar sold after July 1, 2025.

The bill also amends section 245-15, HRS, and the allocations of cigarette tax revenues to the Hawaii Cancer Research Special Fund, Trauma System Special Fund, Community Health Centers Special Fund, and Emergency Medical Services Special Fund.

The measure has a defective effective date of July 1, 3000.

DOTAX requests that the effective date of the tax increase on page 4, line 3, be amended to January 1, 2026, to provide sufficient time for DOTAX to update stamps and implement the system and form changes necessary for the proposed increase.

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



STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
P.O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

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

SENATOR JOY A. SAN BUENAVENTURA, CHAIR
SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

SENATOR DONNA MERCADO KIM, CHAIR
SENATE COMMITTEE ON HIGHER EDUCATION

Hearing Date: March 19, 2025

Room Number: Conference Room 225 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 (H.B. 441, H.D. 2) which would impose an excise tax of an unspecified amount for each cigarette
7 or little cigar sold, used, or possessed by a wholesaler or dealer and respectfully offers
8 amendments to increase the tax by 5.00 cents for each cigarette and little cigar sold, used, or
9 possessed by a wholesaler or dealer on and after July 1, 2025 in order to maximize the public
10 health impact of this measure.

11 **Department Testimony:** According to the U.S. Surgeon General, increasing the price of tobacco
12 products is the single most effective way to reduce consumption.¹ A ten percent increase in

¹ 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%.² 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.³

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%).⁴

10 Cigarette smoking persists as the leading cause of preventable death nationally⁵ and is
11 linked to heart disease, cancer, and stroke which were also the leading causes of death in
12 Hawaii in 2021.⁶ Each year an estimated 1,400 Hawaii adults die from smoking.⁷ 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.^{8,9}

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.¹⁰ Smoking-caused government

² 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>

³ 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>

⁴ Hawai‘i Health Data Warehouse – BRFSS (2023)

⁵ 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].

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

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

⁸ 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].

⁹ 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].

¹⁰ 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.¹¹

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.¹² The last cigarette tax increase in Hawaii was 14 years ago in 2011¹³ and there was
6 an observed decrease in high school cigarette use from years prior which continued steadily
7 thereafter.¹⁴

8 The DOH supports H.B. 441, H.D. 2 to increase the excise tax on cigarettes and little
9 cigars as a proven public health policy to prevent youth from starting and to help adults to quit
10 smoking. The DOH respectfully offers amendments to increase the tax by 5.00 cents for each
11 cigarette and little cigar sold, used, or possessed by a wholesaler or dealer on and after July 1,
12 2025.

13 **Offered Amendments:**

14 Section 1. Section 245-3(a)(12), on page 4, line 1, insert "21.00" as follows:

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

16

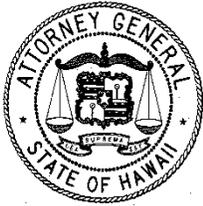
17 Thank you for the opportunity to testify on this measure.

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

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

¹³ Act 59, HB1985, CD1, SLH 2010, retrieved 2/01/24 from https://www.capitol.hawaii.gov/sessions/session2010/bills/HB1985_CD1_.pdf

¹⁴ HHDW. (2005-2021). Youth Risk Behavior Survey (YRBS) Current smoking- high school. https://hhdw.org/report/query/result/yrbs/CigsCurr/CigsCurr_HS_ST.html



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

ON THE FOLLOWING MEASURE:

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

BEFORE THE:

SENATE COMMITTEES ON HEALTH AND HUMAN SERVICES AND ON HIGHER EDUCATION

DATE: Wednesday, March 19, 2025 **TIME:** 1:00 p.m.

LOCATION: State Capitol, Room 225

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Richard W. Stacey, Deputy Attorney General

Chairs San Buenaventura and Kim and Members of the Committees:

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. Additionally, the bill amends the disposition of revenues collected at the amended rate by increasing the cigarette tax amount allocated to the Hawaii Cancer Research Special Fund.

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.

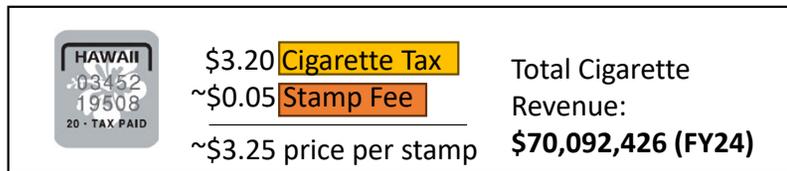
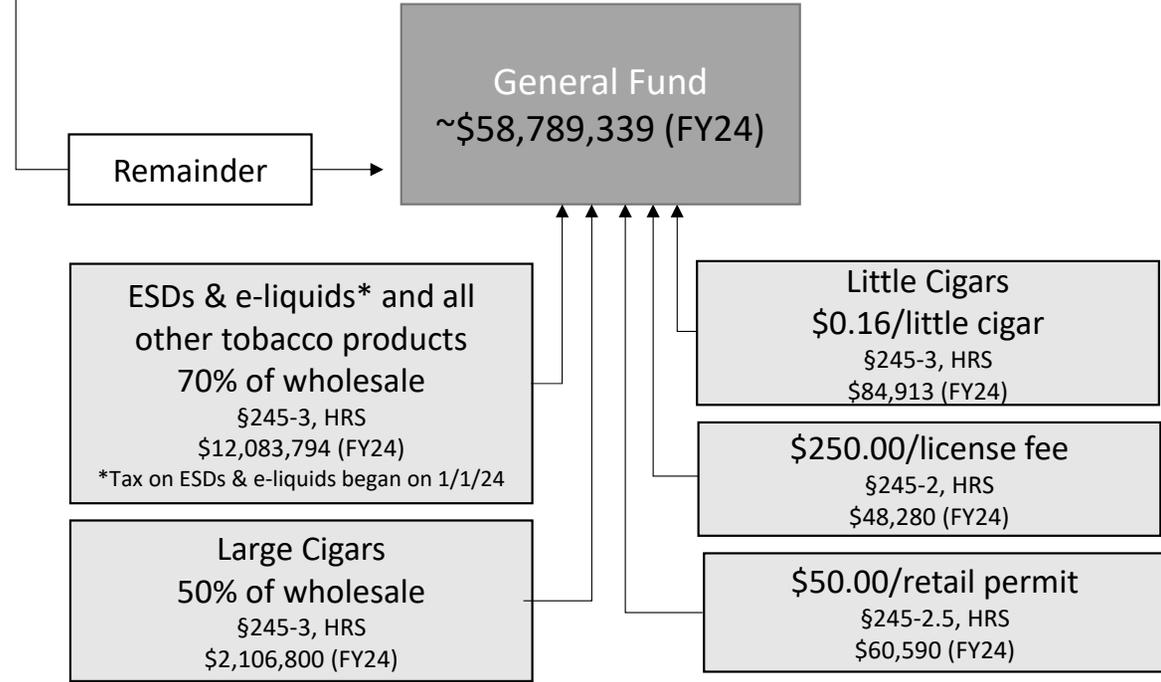
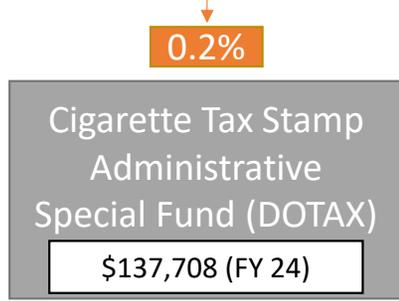
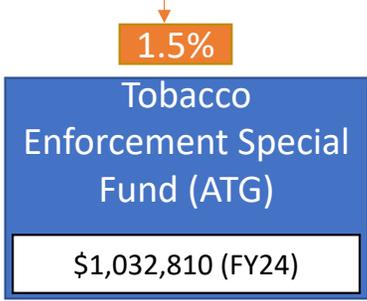
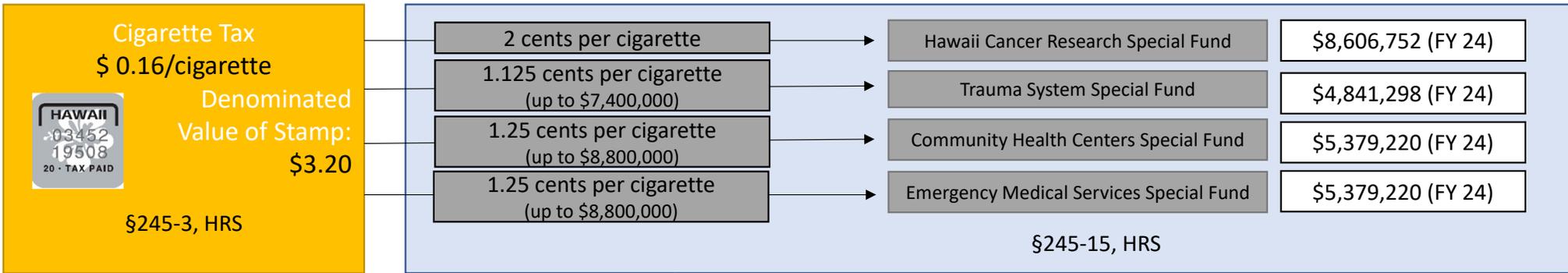
The attached chart demonstrates the flow of the cigarette and tobacco tax and license money.

We respectfully ask that the Committee insert the tax increase amount of 18.00 cents on page 4, line 1, and insert the 4.0 cents per cigarette increased amount to be deposited to the credit of the Hawaii Cancer Research Special Fund on page 10, line 11, both as proposed in the original draft of this bill. We also recommend reinserting the cents per cigarette amounts and cap amounts deposited to the credit of the Trauma System Special Fund (page 10, lines 16-17), the Community Health Centers Special Fund (page 10, lines 20-21), and Emergency Medical Services Special Fund (page 11, lines 4-5), as currently provided in section 245-15(6)(B), (C), and (D), HRS.

We respectfully urge the Committee to pass this bill. 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





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

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

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

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

1177 Alakea St., #402, Honolulu, HI 96813 Phone: 587-0788 Fax: 587-0783 www.shpda.org

March 14, 2025

To: SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES
Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair

SENATE COMMITTEE ON HIGHER EDUCATION
Senator Donna Mercado Kim, Chair
Senator Michelle N. Kidani, 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 - Relating to Cigarette Taxes**

Hearing: March 19, 2025 @ 1:00 pm; Conference Room 225 & Videoconference

Position: SUPPORT

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.



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 Health and Human Services
Senate Committee on Higher Education
Wednesday, March 19, 2025 at 1:00 p.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 – RELATING TO CIGARETTE TAXES

Chairs San Buenaventura and Kim, Vice Chairs Aquino and Kidani, and Members of the Committees:

Thank you for the opportunity to present our testimony today. The UH Cancer Center is in **strong support** of HB 441 HD2, 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. The bill would provide for an additional \$0.02 in the cigarette tax amount allocated to the Hawai'i cancer research special fund (for a total of \$0.04 per cigarette).

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 Hawaii 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 72 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 Hawaii, 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.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, Tax Hike with Increase Directed to Hawai'i Cancer Research Special Fund

BILL NUMBER: HB 441 HD 2

INTRODUCED BY: House Committee on Finance

EXECUTIVE SUMMARY: Beginning 7/1/2025, increases the cigarette tax and amends the cigarette tax disposition of revenues by allocating the increase in the cigarette tax amount to the Hawai'i Cancer Research Special Fund.

SYNOPSIS: Amends section 245-3(a)(12), HRS, to raise the tobacco tax from 16 cents to (unspecified) cents for each cigarette or little cigar sold, used, or possessed by a wholesaler or dealer on and after July 1, 2025, whether or not sold at wholesale, or if not sold, then at the same rate upon the use by the wholesaler or dealer.

Amends section 245-15, HRS, earmarks on the tobacco tax per cigarette after June 30, 2025 to unspecified amounts to the credit of the Hawaii Cancer Research special fund, Trauma System special fund, Community Health Centers special fund, and Emergency Medical Services special fund.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: This bill, firstly, contains too many blanks to enable proper vetting.

Next, the question that should be asked is what is the purpose of the tobacco tax. If the goal is to make people stop smoking by making it cost-prohibitive to smoke, then (a) it's working, as hikes in the cigarette tax have begun to exert downward pressure on collections not only locally but also nationally, but (b) it shouldn't be expected to raise revenue, because of (a). If the goal is really to stop the behavior, why are we not banning it?

As the Foundation's previous President, Lowell Kalapa, wrote in the Tax Foundation of Hawaii's weekly commentary on October 28, 2012:

Lawmakers seem to have a simplistic reaction to solving problems the solution to which plagues their constituents – tax it.

Probably the best example is what people like to call sin taxes, those excise taxes that are levied on tobacco and alcohol products. After all, smoking causes cancer and alcohol causes all sorts of problems including driving under the influence. Lawmakers and community advocates shake their heads and push for higher tax rates, arguing that making these products more expensive will deter folks from using these products.

The problem is that lawmakers also like the revenues that are generated from the sales of these products, and, in some cases, they have tried to link the use and sale of these products with noble causes such as the funding of the Cancer Research Center that is currently being built. Again, the argument is that smokers should pay for programs and projects which seek to cure the related ill which in this case is cancer caused by smoking.

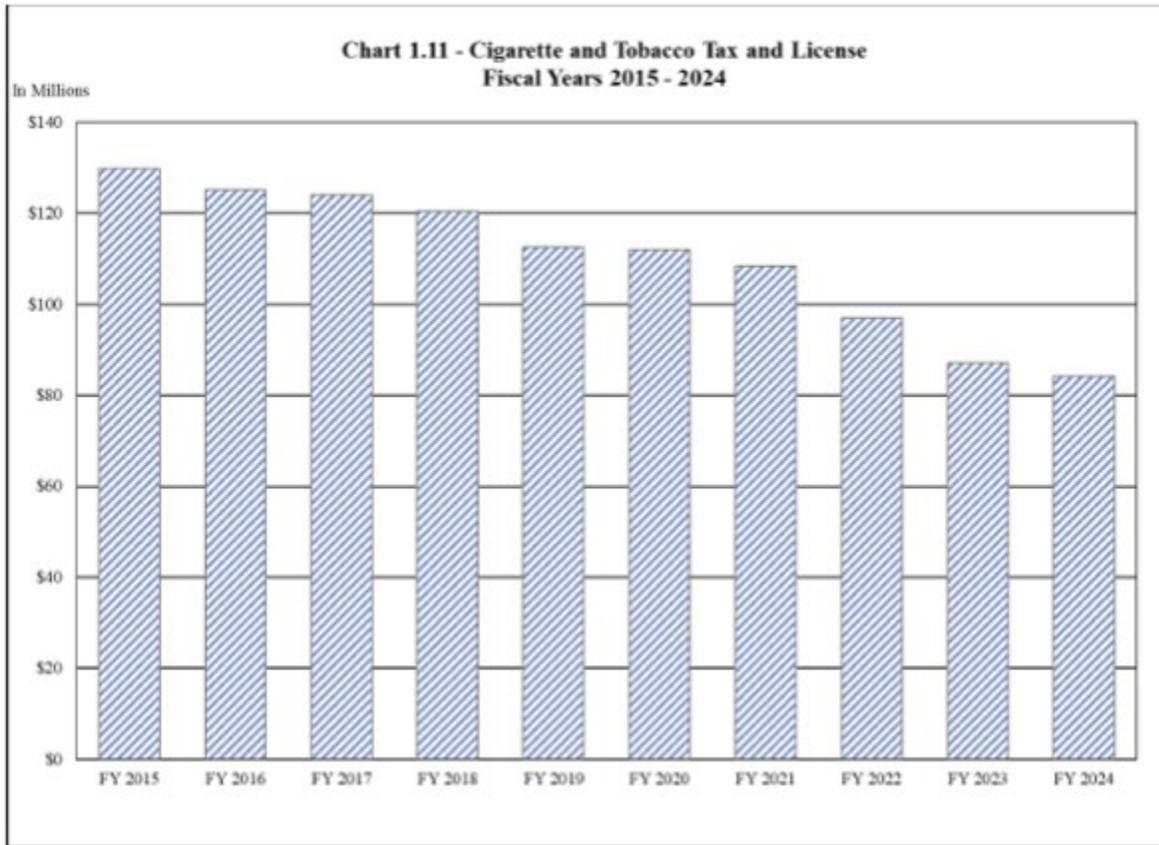
The irony is that arguments to increase the tax on tobacco and, more specifically, cigarettes, is a goal of getting smokers to quit while depending on the revenues from tobacco and cigarette taxes to fund an ongoing program, in this case the Cancer Research Center. So, which is it folks, stop smokers from smoking and if successful, there won't be any revenues to fund the Cancer Research Center?

The fact of the matter is that it appears that both locally and nationally, higher taxes on cigarettes are influencing smokers as tax collections on the sale of cigarettes have fallen. Certainly some of the decline is due to smokers actually quitting, but to some degree one has to suspect that some purchases were made via mail order from exempt Indian reservation outlets while others may be what is called gray market purchases, that is from sources outside the country.

What should come as a surprise is that most of the folks who have quit are of some means as they are more likely to recognize the health hazard caused by use of this product. That means most of those who are still smoking are among the lower-income members of our community. Thus, the tax is regressive, generating less and less collections from middle and higher-income individuals.

Kalapa, "Finding the Blame for What Ails You," at <https://www.tfhawaii.org/wordpress/-blog/2012/10/finding-the-blame-for-what-ails-you/> (Oct, 28, 2012).

As predicted, programs that have been fed by earmarks from the tobacco tax, like the Cancer Research Center, have become a victim of the success of tobacco cessation programs and publicity. Revenues produced by the tobacco tax have been in steady decline over the past few years despite tax rate increases, and hoisting the smoking age to 21 in the 2015 session certainly didn't reverse the trend.



Source: Department of Taxation Annual Report (2023-2024), page 24.

Fiscal reliance on funds from a sin tax is inadvisable, perhaps outright dangerous. If the goal is to affect social behavior, use of the tax law is not the most effective way to do so.

Digested: 3/13/2025



1325 G Street, NW, Suite 950 • Washington, D.C. 20005 • 202.464.6200 • taxfoundation.org

Memorandum

Date: March 17, 2025

To: Members of the Joint Health and Human Services and Higher Education Committee

From: Jacob Macumber-Rosin, Excise Tax Policy Analyst, Tax Foundation

Subject: Hawaii HB 441 Regarding a Cigarette Tax Increase

House Bill 441 would increase the tax on cigarettes in Hawaii. This tax would be regressive, disproportionately impacting low-income Hawaii residents.

Simply because a tax is regressive, however, doesn't mean it should not be levied. Most consumption taxes are regressive, but they still have a role in a broader system of tax and transfers that is almost invariably highly progressive. Best practices for tax policy usually include a mix of both progressive and regressive taxes that provide a stable source of revenue but minimize market distortions and the tax burden on the poor.

While most excise taxes are regressive, taxes on tobacco are the most regressive excise tax the Tax Foundation has studied.¹ In Hawaii, households in the lowest quintile face an effective tax rate that is 10 times greater than individuals in the top two income quintiles.

Table 1. Distribution of Effective Tax Rates on Cigarettes Across Income Groups in Hawaii

Income Group	Effective Tax Rate
0% to 20%	10.0%
20% to 40%	4.0%
40% to 60%	2.0%
60% to 80%	1.0%
80% to 100%	1.0%

Source: Adam Hoffer, "Compare Tobacco Tax Data in Your State," Tax Foundation, May 24, 2023, <https://taxfoundation.org/data/all/state/tobacco-tax-data-tool/>.

The Special Funds furnished by cigarette and/or tobacco product taxes are facing declining revenues. Unfortunately, excise taxes, particularly those applied to a shrinking tax base, make a poor policy solution to a shortfall. Excise taxes supply a volatile source of tax revenue, and many excise tax revenues decrease over time while revenue needs for government services grow.

¹ Adam Hoffer, "Global Excise Tax Application and Trends," Tax Foundation, Apr. 7, 2023, <https://taxfoundation.org/research/all/global/global-excise-tax-policy-application-trends/#regressivity>.

A tax increase on cigarettes is likely to increase revenue in the short term. The additional revenue generated from the higher cigarette tax rate will decrease each year, however, as the number of smokers continues to fall.

Legislatures are charged with the difficult task of striking the right balance among reducing the harm caused by smoking, raising enough revenue to fund smoking cessation and other public health programs, and maintaining a legal, well-regulated marketplace where participants can safely transact. As you consider these matters, we are happy to be a resource and would be delighted to provide you with more research on this topic. Thank you for your time.

HB-441-HD-2

Submitted on: 3/17/2025 11:07:50 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Zehner	Testifying for Hawaii Smokers Alliance	Oppose	Written Testimony Only

Comments:

We remain opposed to this regressive and unsustainable tax increase.

Respectfully,

Michael Zehner

Hawaii Smokers Alliance



**Testimony before the Hawaii Senate Committee on Health and Human Services
Regarding Increasing the State Excise Cigarette Tax
Lindsey Stroud
Tobacco Harm Reduction 101
March 19, 2025**

Chairwoman San Buenaventura, Vice-Chair Aquino, and Members of the Committee:

Thank you for your time today to discuss increasing that state excise tax rate on combustible cigarettes to fund various health care funds in the Aloha State. My name is Lindsey Stroud and I'm a Creator and Manager of Tobacco Harm Reduction 101 (thr101.org), a website dedicated to examining tobacco and vapor product use among adults and youth.

Policymakers should refrain from relying on revenue generated by state cigarette excise taxes, as cigarette tax revenue has declined due to declines in smoking rates. Moreover, such policies are regressive, as lower income and lower educated persons are more likely to smoke and will be disproportionately harmed by increased taxes. Rather than increasing the existing cigarette tax rate, policymakers should focus on policies that can reduce those costs associated with smoking, including robust funding for tobacco control policies, and embracing less harmful alternatives to smoking, which are associated with declines in cigarette use in Hawaii.

Key Points:

- In 2023, 102,737 Hawaii adults (9 percent) were currently smoking. This is a 27.4 percent decrease from 2022 and represents 38,905 fewer adults smoking.
- Among all adults earning \$25,000 or less in 2023, 18.7 percent were currently smoking compared to 5.9 percent of adults earning \$50,000 or more.
- Among all adults who had earned less than a high school education, 18.7 percent were currently smoking in 2023, compared to 5.9 percent of college graduates.
- Youth combustible cigarette use is at record lows with only 12.1 percent of high school students reporting having ever-tried a cigarette, and 3 percent reporting past-month use in 2023.
- Low-income and less-educated individuals smoke at significantly higher rates than their higher-income, more educated counterparts. Hawaiian adults earning \$25,000 or less annually are three times more likely to smoke than those earning \$50,000 or more.
- Between 2003 and 2023, smoking rates for adults earning \$50,000 or more decreased by 53.4 percent, compared to only a 16.6 percent reduction among those earning \$25,000 or less. Smoking rates among lower-income adults even saw a slight annual increase (0.4 percent) during this period, compared to a 3.3 percent annual reduction among higher-income earners.



- Adults in Hawaii without a high school diploma or G.E.D. are 3.9 times more likely to smoke than college graduates. Smoking rates among less-educated individuals decreased by only 25.5 percent between 2003 and 2023, compared to a 48.9 percent reduction among college graduates.
- In 2015, the poorest 20 percent of Americans spent 0.8 percent of their income on cigarette taxes, while the wealthiest 1 percent spent less than 0.1 percent.
- Cigarette tax revenue in Hawaii has significantly decreased over the past 20 years, with 2023 collections (\$76.8 million) being 43.4 percent lower than the peak in 2011 (\$135.6 million).
- While previous tax hikes (2006–2011) temporarily boosted revenue, the gains were not sustained, with collections declining annually since 2012.
- Hawaii collected more than \$3.1 billion in tobacco-related revenue from 2003 to 2023. Only 5.4 percent (\$168.6 million) was spent on tobacco control programs during this period.
- In 2023, Hawaii spent just \$7.6 million on cessation and prevention, despite collecting \$117.7 million in tobacco-related revenue.
- Tobacco harm reduction products including e-cigarettes, heated tobacco products, nicotine pouches, and snus can help adults quit smoking and reduce smoking-related health cares.

Cigarette Use Among Hawaiian Adults

In 2023, according to the most recent data from the Centers for Disease Control and Prevention, an estimated 102,737 adults (or 9 percent of Hawaiians) were currently smoking.¹ This is a 27.4 percent decrease from 2022 when 12.4 percent reported current cigarette use. There were 38,905 fewer adults smoking in 2023 compared to 2022. Among all adults earning \$25,000 annually or less in 2022, nearly one-fifth (18.7 percent) reported currently smoking, compared to only 5.9 percent of adults who earned \$50,000 or more per year. Less educated adults were more likely to smoke, with 18.7 percent of adults with less than a high school diploma or G.E.D. smoking in 2023 compared to only 5.9 percent of Hawaii adults who had earned a college degree.

Youth Cigarette Use

Youth use of cigarettes is at record lows in the Aloha State, while youth use of vapor products has significantly declined since peaking in 2019.

According to the Youth Risk Behavior Survey, among Hawaii high school students, in 2023:

- 12.1 percent had ever tried a combustible cigarette
- 3 percent reported past-month cigarette use
- 0.6 percent were currently smoking cigarettes frequently (20 or more days)



- 0.5 percent were currently smoking cigarettes daily

Between 1993 and 2023:

- Frequent use of cigarettes decreased by 95.5 percent
- Daily use of cigarettes declined by 95 percent
- Past-month use of cigarettes declined by 89.4 percent
- Ever-use of cigarettes decreased by 81.5 percent

With record lows in youth combustible cigarette use, additional excise taxes are not necessary to address youth tobacco use.

Cigarette Taxes Are Regressive, Disproportionately Impact Low-Income, Low-Educated Persons

Cigarette taxes are regressive as low-income and low-educated persons disproportionately smoke at higher rates than their higher-income, more educated counterparts. As previously noted, Hawaiian adults with incomes of \$25,000 or less per year were three times more likely to smoke as adults who reported incomes of \$50,000 or greater.

Moreover, smoking rates among Hawaiian adults earning \$50,000 or more per year decreased at greater rates than their lower income counterparts. Between 2003 and 2023, the percentage of adults who smoked and reported incomes of \$50,000 or more decreased by 53.4 percent, compared to a 16.6 percent reduction in smoking among adults earning \$25,000 or less. Further, between 2003 and 2023, smoking rates among lower income adults increased, on average, by 0.4 percent annually, compared to a 3.3 percent average annual reduction among adults earning \$50,000 or more.

Numerous studies have also found cigarette excise taxes, and increases to those taxes, as regressive. A 2021 study in *Tobacco Control* found that “tobacco taxes are uniformly regressive from a standard income-share accounting view” and that “tobacco tax increases are less likely to be regressive when accompanied by a broad framework of demand-side measures that enhance the capacity of low-income smokers to quit tobacco use.”²

In 2015, according to the Institute on Taxation and Economic Policy, the poorest 20 percent of Americans “spent 0.8 percent of their income, on average, on cigarette taxes, while the wealthiest 1 percent spent less than 0.1 percent of their income on these taxes.”³

Further, increased access to education seems to correlate with low tobacco use. As noted previously, Hawaiian adults without a high school diploma or G.E.D. were 3.9 times more likely to smoke than college graduates. Between 2003 and 2023, smoking rates among Hawaiians who



lacked a high school diploma (or equivalent) decreased by only 25.5 percent, compared to a 48.9 percent reduction among college graduates.

Rather than impose regressive taxes that disproportionately impact low-income and low-educated persons, policymakers should examine policies which can help reduce smoking without burdening the most vulnerable in the Aloha State.

Cigarette Taxes Are Unreliable Forms of Revenue

The proposed tax increase is being earmarked to fund special health care programs, yet cigarette tax revenue is down from previous years, and has significantly declined in the past 20 years. Moreover, the last cigarette tax increase only led to a few years of increased tax revenue, as cigarette excise tax collections continue to fall.

Beginning in 2006, Hawaii lawmakers enacted a several-year scheme which gradually increased state cigarette excise collections including:

- 2006: \$0.20 increase to \$1.60/pack
- 2007: \$0.20 increase to \$1.80/pack
- 2008: \$0.20 increase to \$2.00/pack
- 2009: \$0.60 increase to \$2.60/pack
- 2010: \$0.40 increase to \$3.00/pack
- 2011: \$0.20 increase to \$3.20/pack

The tax increases did lead to several years of increased cigarette tax revenue. The Aloha State collected \$135.6 million in cigarette excise taxes in 2011, which was a 63.2 percent increase from 2005's \$83.1 million – or an additional \$52.5 million.

However, these increases were not experienced in the long term, with cigarette tax revenue declining each year since 2012. In 2023, Hawaii collected \$76.8 million in cigarette excise taxes, which was 43.4 percent decrease from 2011's increases, or \$58.8 million less. Further, 2023's revenue was down by 7.6 percent compared to what the state collected in 2005 – or prior to the start of enacting the increased taxes.

Given the volatility of cigarette tax revenue, policymakers should refrain from both increasing these taxes, as well as earmarking them for existing programs.

Existing Tobacco Monies Not Being Used Effectively

Each year, states receive billions of dollars borne out of the lungs of persons who smoke. This revenue includes excise cigarette taxes and settlement payments. Yet, each year, states spend



miniscule amounts of tobacco-related monies on programs to help adults quit smoking and prevent youth use.

In 2023, the Aloha State collected \$76.8 million in state excise tax revenue from combustible cigarettes. This was a 9.8 percent decrease from 2022's \$85.1 million, or \$8.3 million less. Between 2003 and 2023, Hawaii collected more than \$2.1 billion in cigarette taxes.

Since the 2000s, Hawaii collected annual payments from tobacco manufacturers based on the percentage of cigarettes and tobacco products sold in the state in that year. Hawaii collected \$40.9 million in settlement payments in 2023, a 6.5 percent increase from 2022's \$38.4 million, or an additional \$2.5 million. Since 2003, the Aloha State collected more than \$964 million in tobacco settlement payments.

While Hawaii collected \$117.7 million in tobacco-related monies in 2023, the state allocated only \$7.6 million in state funding towards tobacco control programs, including cessation, education, and youth prevention efforts, which was a 2.7 percent increase in funding from 2022's \$7.4 million. This amounts to 9.9 percent of taxes and 18.6 percent of settlement payments. In 2023, for every \$1 the state received in tobacco monies, it spent only \$0.06 on tobacco control efforts. Between 2003 and 2023, Hawaii collected more than \$3.1 billion tobacco monies, yet spent only \$168.6 million (or 5.4 percent) on tobacco control efforts during the same period.

Lawmakers Should Embrace Tobacco Harm Reduction

An estimated 30.8 million American adults smoked in 2020, or approximately 12.5 percent of the U.S. population.⁴ Smoking-related disease and deaths cost the United States more than \$300 billion each year, including \$225 billion attributed to medical costs and more than \$156 billion due to lost productivity.⁵ In Hawaii, smoking costs the state \$142 million in Medicaid costs each year.⁶

In 1976, famed tobacco research Michael Russell remarked “people smoke for the nicotine, but die from the tar.”⁷ Today, cigarettes contain nearly 600 ingredients and when ignited release more than 7,000 chemicals in the tobacco smoke, including 69 which are known to cause cancer.⁸

Nicotine, while not benign, is not responsible for causing cancer or the other ill effects caused by combustible cigarette smoke. In fact, the U.S. Food and Drug Administration,⁹ the Centers for Disease Control and Prevention,¹⁰ and the American Cancer Society¹¹ all acknowledge that nicotine has addictive properties but is not responsible for the harms caused by various tobacco products.



Given that nicotine itself is not the harm-causing property of tobacco, consumers and manufacturers have moved forward with giving adults the options to try and switch to less harmful tobacco products, otherwise known as tobacco harm reduction.

Tobacco harm reduction takes into account the science and the individual, all the while reducing the harms related to cigarette smoking. Rather than shaming persons addicted to nicotine, tobacco harm reduction offers them an opportunity to use a less harmful product, while delivering nicotine in a manner that is effective at reducing their cravings.

- **E-Cigarettes:** Despite media alarmism, e-cigarettes are significantly less harmful than combustible cigarettes, as noted by numerous public health agencies. In 2015, Public Health England found e-cigarettes to be 95 percent less harmful than combustible cigarettes.¹² In 2021, the agency noted that “vaping is positively associated with quitting smoking successfully.”¹³ In 2016, the UK Royal College of Physicians declared that e-cigarettes were unlikely to exceed five percent of the harms that are caused by smoking.¹⁴ Not only does the UK government subsidize e-cigarettes as a cessation tool for people who smoke, vape shops can be found in hospitals in the country. In the United States, in 2018, of the estimated 10 million vapers, approximately 3 million had previously used combustible cigarettes.¹⁵ In 2021, the FDA, through a new regulatory pathway, authorized the first e-cigarette product, finding that the product is “significantly less toxic than combusted cigarettes” and “could benefit addicted adult smokers who switch ... by reducing their exposure to harmful chemicals.”¹⁶
- **Heated Tobacco:** The US FDA has not only allowed for the marketing of a heated tobacco product, the manufacturer has been permitted to market it with a reduced risk claim, including that due to the product heating tobacco and not burning it, the process “significantly reduces the production of harmful and potentially harmful chemicals.”¹⁷ While the rollout in America has been limited (and currently hindered by a patent dispute), in other countries, heated tobacco products have been linked to significant reductions in adult smoking rates. A 2020 study by the American Cancer Society remarked that heated tobacco products “likely reduced cigarette sales in Japan.”¹⁸
- **Nicotine pouches:** Nicotine pouches are used the same way as snus but deliver nicotine via infused fillers like plant-based fibers instead of pasteurized tobacco. They are the newest innovation on the nicotine market and they are as or less harmful than snus. As a result, they have been rising in popularity across the world. For example, a May 2022 study assessed the potential effect of nicotine pouches if introduced in the U.S. in 2000. The study estimated there would have been about 700,000 fewer deaths by 2050.
- **Nicotine Replacement Therapy (NRT):** NRT is the most endorsed form of tobacco harm reduction and is subsidized by federal and state health care quit-smoking programs. NRT includes gums, patches, lozenges, and prescription medication. Studies have found that



similar rates of cessation success among users of various NRT products and smokeless and snus products.¹⁹ Other tobacco harm reduction products have been found to be more effective. For example, a 2019 randomized controlled trial found that e-cigarettes were almost twice as effective as NRT in aiding in smoking cessation.²⁰

- **Smokeless:** Smokeless tobacco poses much lower risks than smoking, all while containing nicotine. A 2009 *Biomed Central* study analyzed 89 studies of smokeless tobacco use and cancer finding “very little evidence” of smokeless tobacco producing elevated cancer risks.²¹ A 2011 review of epidemiologic studies found that snus and smokeless tobacco use to be “99% less hazardous than smoking.”²²
- **Snus:** Snus is an oral moist tobacco often used in pouches. It originated in Sweden and has been part of the country’s “tobacco culture” for more than a century. Snus has been directly linked to reducing smoking rates in the country. Swedish men, who have the highest rate of smokeless tobacco use in Europe and the lowest smoking rate, “also have the lowest rates of lung cancer and other smoking-related diseases in Europe.”²³ Further, a 2020 long-term study of Swedish snus users that were former smokers concluded that over “80% found snus of great importance to succeed with smoking cessation.”²⁴

As cigarettes remain available, it is imperative that policymakers offer the consumers access to less harmful tobacco products. Policymakers should avoid excessive regulations, unfair taxation, and outright prohibition when enacting policies regarding novel tobacco harm reduction innovations. Lawmakers should put forth policies that both inform consumers of the wide variety of less harmful products, as well as allow the market to introduce products that are effective at both delivering nicotine in a less harmful manner and reducing smoking rates.

Conclusion

Increasing the state excise tax on combustible cigarettes may seem like an effective way to fund health care programs, but the evidence suggests otherwise. Cigarette tax revenue has proven unreliable, regressive, and disproportionately harmful to low-income and less-educated individuals. Rather than imposing additional financial burdens, policymakers should prioritize evidence-based strategies that address the root causes of smoking and leverage harm reduction tools. By embracing alternatives like e-cigarettes, heated tobacco products, and nicotine pouches, Hawaii can continue to reduce smoking rates while supporting public health initiatives without exacerbating economic disparities.

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- ⁴ Centers for Disease Control and Prevention, “Current Cigarette Smoking Among Adults in the United States,” *Smoking & Tobacco Use*, March 17, 2022, https://www.cdc.gov/tobacco/data_statistics/fact_sheets/adult_data/cig_smoking/index.htm.
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- ⁸ National Cancer Institute, “Harms of Cigarette Smoking and Health Benefits of Quitting,” December 19, 2017, <https://www.cancer.gov/about-cancer/causes-prevention/risk/tobacco/cessation-fact-sheet>.
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To: The Honorable Joy San Buenaventura, Chair
The Honorable Henry Aquino, Vice Chair
Members, Senate Committee on Health & Human Services

The Honorable Donna Mercado Kim, Chair
The Honorable Michelle N. Kidani, Vice Chair
Members, Senate Committee on Higher Education

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

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

Date: March 19, 2025

Re: Support for HB441 HD2: Relating to Cigarette Taxes

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, 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.

HB-441-HD-2

Submitted on: 3/17/2025 4:52:49 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Hee Nam Hwang	Testifying for No.1 Store	Oppose	Remotely Via Zoom

Comments:

Testimony in Opposition to HB 441

Submitted by: Hee Nam Hwang, Owner, No. 1 Store

Chair, Vice Chair, and Members of the Committee.

My name is Hee Nam Hwang, and I am the owner of No. 1 Store, a small, locally owned business that has been serving our community in Hawai'i for over 20 years. I am submitting this testimony in strong opposition to HB 441.

As a small business owner, I have seen firsthand the impact of previous cigarette tax increases. Each time the tax goes up, my sales decline, and more customers seek alternative sources, including purchasing online, from military bases, or even through illegal means. This not only hurts local businesses but also reduces the very tax revenue the state is trying to increase.

Hawai'i already has one of the highest cigarette taxes in the nation. Another increase will disproportionately burden small, family-owned stores like mine while driving more consumers to unregulated markets. Many of my customers are working-class individuals who will be affected by this added financial strain. The state should focus on enforcing existing laws against illicit sales rather than penalizing small, law-abiding retailers.

The continued rise in cigarette taxes has also led to a noticeable decline in foot traffic in my store. When customers stop buying cigarettes from legal retailers, they also stop purchasing other essential items, further hurting my ability to stay in business. The economic consequences of HB 441 will be felt not only by small businesses like mine but also by the employees and families who rely on them.

I urge you to reject HB 441 and consider the harmful consequences this tax increase will have on small businesses, state tax revenue, and consumers. Thank you for your time and consideration.

Respectfully submitted,

Hee Nam Hwang

Owner, No. 1 Store

HB-441-HD-2

Submitted on: 3/17/2025 4:55:20 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Juan He	Testifying for Nonstop Convenience	Oppose	Written Testimony Only

Comments:

Aloha,

I hope you're doing great! My name is Juan He, and I run a small business called Non-Stop Convenience in Hawaii. I'm writing to share my thoughts on Hawaii State HB441, which I think could really hurt small businesses like mine.

Non-Stop Convenience is a part of the community. We've been helping the local economy by creating jobs and supporting local suppliers. But the proposed bill could make it more expensive to run our business and add more rules that could make it hard for us to stay afloat.

As a small business owner, I already have a lot on my plate. I deal with rising rent and utility costs, and navigating complex rules. Adding this bill could make things even tougher, making it harder for us to compete and serve our community.

I really hope you'll think about how this bill might affect small businesses. Instead of just making things harder, I think we should look for other ways to support economic growth and stability for small businesses in Hawaii. Our businesses are the heart of the local economy, and we need policies that help us thrive, not hinder us.

Thanks for taking the time to read my perspective. I'm hoping we can find a solution that works for everyone involved.

Best regards,

Juan He

Non-Stop Convenience

HB-441-HD-2

Submitted on: 3/17/2025 4:52:46 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Meiyun He	Testifying for S&K Wholesale	Oppose	Written Testimony Only

Comments:

Aloha

I'm Coco, a small business owner in Hawaii. I'm writing to express my concerns about Hawaii State HB441, which I believe could harm small businesses like mine.

S&K has been a part of the local community, supporting the economy. However, the proposed bill increases operational costs and imposes additional regulatory burdens, jeopardizing our ability to operate effectively.

As a small business owner, I already face challenges like rising rent and utility costs and navigating complex regulatory requirements. This bill exacerbates these challenges, making it harder for us to remain competitive and serve our community.

I urge you to consider the potential unintended consequences of this bill on small businesses. Instead, explore alternative solutions that support economic growth and stability for small enterprises in Hawaii. Our businesses are the backbone of the local economy, and we need policies that foster, rather than hinder, our ability to thrive.

Thank you for considering my perspective. I hope for a solution that balances the state's priorities with the needs of its small business community.

Sincerely,

Meiyu He

S&K Wholesale

HB-441-HD-2

Submitted on: 3/17/2025 5:12:42 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michelle Jordan	Testifying for Discount Smoke Shop Hawaii	Oppose	Remotely Via Zoom

Comments:

Chair, Vice Chair, and Members of the Committee,

I appreciate the opportunity to submit testimony in strong opposition to HB441. My name is Michelle Jordan, and I am a representative of Discount Smoke Shop Hawai‘i, a business that has been serving our community by providing affordable tobacco and nicotine products to responsible adult consumers.

HB441, which seeks to impose further restrictions on tobacco sales, will disproportionately harm low-income individuals who already face significant financial challenges. Many of our customers are working-class residents who rely on affordable alternatives rather than being forced into higher-priced options that may be out of their reach. By increasing costs or limiting availability, this bill does not eliminate demand; it simply shifts purchases to less regulated, potentially unsafe sources, including black market sales or online vendors that do not adhere to the same standards as local businesses.

Moreover, this bill will have an adverse economic impact on small businesses like ours. We provide employment opportunities and contribute to the local economy through tax revenue and community support. The restrictions outlined in HB441 would force many small retailers to either drastically reduce their inventory or close their doors altogether, resulting in job losses and economic strain.

Beyond the financial implications, it is important to recognize the increasing social stigma that smokers face. Smokers are already ostracized, often treated as second-class citizens, despite making a legal and personal choice. They are pushed to the margins—banned from public spaces, shamed for their habits, and subjected to ever-increasing financial penalties. Measures like HB441 only serve to deepen this divide, further alienating individuals who are already

struggling. Instead of fostering a culture of support, these policies promote resentment and drive lawful consumers into underground markets.

Rather than punitive legislation that targets adult consumers making legal purchasing decisions, I urge the committee to consider more balanced approaches that focus on education and harm reduction. Policies that support smoking cessation programs, public awareness campaigns, and responsible retailing are far more effective than heavy-handed restrictions that unfairly burden low-income individuals.

For these reasons, I respectfully urge the committee to vote against HB441. Thank you for your time and consideration.

Sincerely,

Michelle Jordan

Representative, Discount Smoke Shop Hawai'i



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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 17, 2025

To: Senator Joy A. San Buenaventura, Chair
Senator Henry J. C. Aquino, Vice Chair
Members of the Senate Committee on Health and Human Services

Senator Donna Mercado Kim, Chair
Senator Michelle N. Kidani, Vice Chair
Members of the Senate Committee on Higher Education

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

Hrg: Wednesday, March 19, 2025 at 1:00 PM, Room 225

The Coalition for a Tobacco-Free Hawai'i, a program of the Hawai'i Public Health Institute,¹ is in **support of HB 441 HD2 with amendments**, which would increase the cigarette tax to deposit extra revenue into the Hawai'i Cancer Research Special Fund.

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.² 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.²

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.³ 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%.⁴ 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.⁵ 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.⁶

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.⁷ 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 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". The signature is fluid and cursive.

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

¹ 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.

² 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.



**TESTIMONY OF TINA YAMAKI
PRESIDENT
RETAIL MERCHANTS OF HAWAII
MARCH 19, 2025
HB 441 HD2 RELATING TO CIGARETTE TAX**

Aloha, Chair San Buenaventura and Chair Mercado Kim and members of the Senate Committee on Health & Human Services and the Senate Committee on Higher Education. 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 Relating to Cigarette Taxes. This measure beginning 7/1/2025, amends the cigarette tax and amends the cigarette tax disposition of revenues by allocating the increase in the cigarette tax amount to the Hawai'i Cancer Research Special Fund; and is effective 7/1/3000.

While we acknowledge the importance of funding critical health services, such as cancer research, trauma care, community health centers, and emergency medical services, 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, Trauma System, Community Health Centers, and Emergency Medical Services Special Funds. 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.



Committee on Health and Human Services
Senator Joy San Buenaventura, Chair
Senator Henry Aquino, Vice Chair

Senator Donna Mercado Kim, Chair
Senator Michelle Kidani, Vice Chair
Members of Senate Committee on Higher Education

Hearing Date: Wednesday, March 19, 2025

ACS CAN SUPPORTS WITH AMENDMENTS HB 441 HD2 – RELATING TO CIGARETTE TAXES.

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

Thank you for the opportunity to **SUPPORT WITH AMENDMENTS** HB 441 HD2: 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 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 (8th 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	
Percent decrease in youth (under age 18) smoking:	6.9%
Youth under age 18 kept from becoming adults who smoke:	500
Reduction in young adults who smoke (18-24 years old):	100
Current adults who smoke who would quit:	2,000
Premature smoking-caused deaths prevented:	500
5-Year reduction in the number of smoking-affected pregnancies and births:	80
5-Year health care cost savings from fewer smoking-caused lung cancer cases:	\$360,000
5-Year health care cost savings from fewer smoking-affected pregnancies and births:	\$190,000
5-Year health care cost savings from fewer smoking-caused heart attacks & strokes:	\$220,000
5-Year Medicaid program savings for the state:	\$990,000
Long-term health care cost savings from adult & youth smoking declines:	\$31.80 million

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

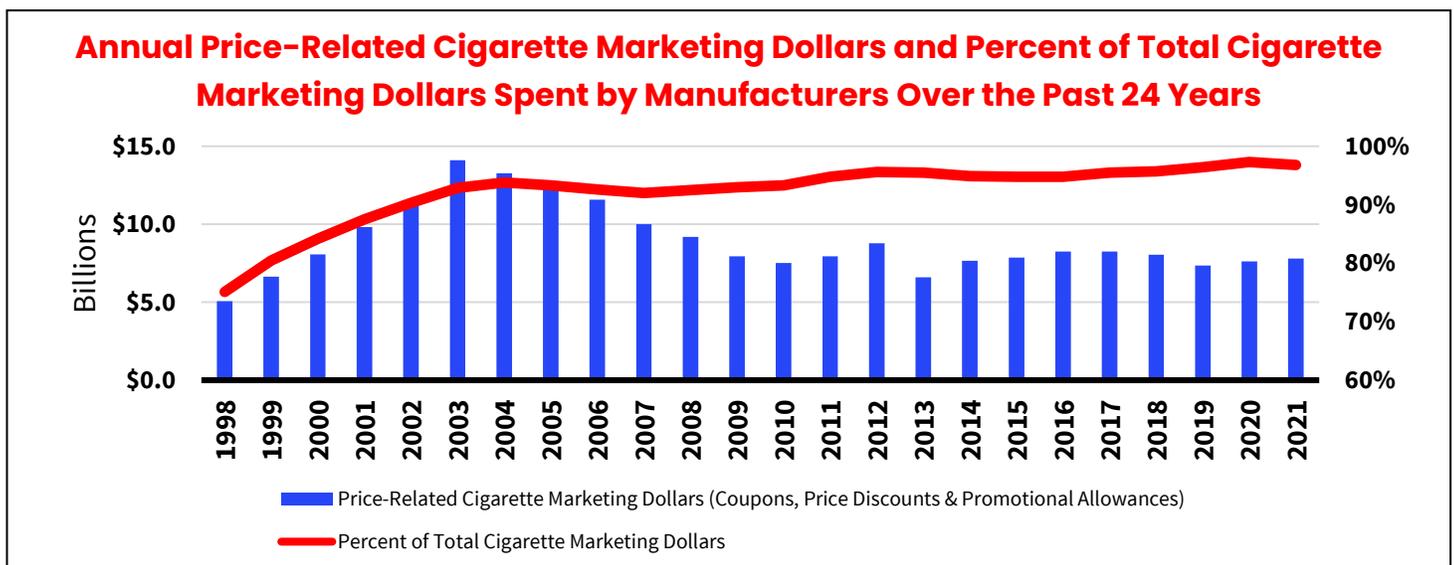
The American Cancer Society Cancer Action Network (ACS CAN) supports a comprehensive approach to tobacco control that includes significantly increasing excise taxes on all forms of tobacco. Regular, significant excise tax increases of \$1.00 or more per pack of cigarettes are one of the most effective 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.^{i,ii,iii}

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.^{iv} 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.^v



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.^{vi} 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.^{vii,viii}



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.

ⁱ 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>.

ⁱⁱ 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.

ⁱⁱⁱ 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/>.

^{iv} 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>.

^v 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.

^{vi} U.S. Federal Trade Commission (FTC), Cigarette Report for 2021, January 2023, 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.].

^{vii} 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.

^{viii} 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.

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

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

Updated 7.07.23

HB-441-HD-2

Submitted on: 3/17/2025 10:10:04 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Grace Sakanashi	Testifying for China Town Liquors	Oppose	Remotely Via Zoom

Comments:

Testimony in Opposition to HB 441 – Increase on Cigarette Tax

My name is Grace Sakanashi, owner of Chinatown Liquor. I am in strong opposition to HB441, which proposes yet another increase in the cigarette tax. While I understand the intent behind this bill, the reality is that increasing the tax on cigarettes will disproportionately hurt low-income individuals, encourage black-market sales, and ultimately fail to deliver the promised public health benefits.

The majority of smokers come from lower-income backgrounds, meaning this increase is essentially a regressive tax that unfairly targets those who are already struggling financially. Instead of helping people quit, it simply adds another financial burden to those who can least afford it.

Second, we've seen time and again that when cigarette taxes become excessive, smuggling and illegal sales rise. Higher prices don't stop demand—they just push consumers toward unregulated, untaxed alternatives, which can be even more harmful and deprive the state of expected revenue. This was the case in states like New York, where high taxes led to rampant cigarette smuggling.

Lastly, while this bill claims to support public health initiatives, history shows that cigarette tax revenues often don't go where they're promised. Too often, these funds are diverted into general budgets, leaving smoking cessation programs underfunded while taxpayers continue to shoulder the financial burden.

If we truly want to help people quit smoking, let's invest in education and accessible cessation programs—not punitive taxes that create more harm than good.

For these reasons, I urge you to vote NO on HB 441 Thank you for your time.

Grace Sakanashi

Chinatown Liquor



March 17, 2025

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Brandt Farias

President

Zia Khan, MD

Board Members

Greg Christian

Jason Fujita

Michael Lui, MD

Ben Morgan

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Michael Tanoue, M.D.

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Senator Joy San Buenaventura, Chair
Senator Henry Aquino, Vice Chair
Members of the Senate Health and Human Services Committee

Senator Donna Mercado Kim, Chair
Senator Michelle Kidani, Vice Chair
Members of the Senate Higher Education Committee

**American Heart Association Testimony for HB 441, H.D. 2
"Relating to the Cigarette Tax"**

The American Heart Association is pleased to submit testimony **supporting HB 441, H.D. 2 with amendments**. In its current format, this 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 Research Special Fund.

Our organization has long advocated for the passage of policies that raise the tax on tobacco, limit exposure to secondhand smoke and discourage the use of tobacco by youth. Increasing tobacco taxes are a proven way to help reduce youth use. Hawaii raised its cigarette tax over 12 years ago in 2011, and this resulted in a decline of youth usage. In 2011, 10% of youth reported currently using cigarettes. This percentage decreased by half in 2019.

AHA strongly believes that it is time for another increase, for the health and well-being of Hawaii's keiki and population at large. **We strongly support an amendment to HB 441 to implement a \$1.00 tax increase for a pack of cigarettes**. Such an amendment will significantly benefit public health by further reducing cigarette use and dependence.

We appreciate the legislature for taking on this important policy consideration and appreciate the committees hearing this measure.

Sincerely,

Jamie Morgan
Sr. Region Lead, State Government Relations

Serving Hawaii since 1948

Our Mission:

"To be a relentless force for a world of longer, healthier lives."

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

HB-441-HD-2

Submitted on: 3/17/2025 10:13:02 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Young Park	Testifying for Wawa Village Market	Oppose	Remotely Via Zoom

Comments:

Testimony in Opposition to HB 441

Submitted by Young Park, Business Owner, Honolulu, HI

Chair and Members of the Committee,

My name is Young Park, and I am the owner of two small businesses in Honolulu that employ 20 hardworking individuals. I strongly oppose HB 441, which seeks to increase cigarette taxes. As a small business owner already struggling with the financial burden of Hawai‘i's high cost of living and regulatory pressures, this tax increase would have serious unintended consequences for my employees, customers, and the local economy.

The state's most recent vapor tax increase of 70%, enacted in 2024, has already had a devastating impact on small retailers. Many customers have turned to online or black-market sources, leading to revenue losses for law-abiding businesses. An additional tax increase on cigarettes will only exacerbate this problem, driving more consumers to unregulated markets while doing little to achieve the intended public health goals.

Higher tobacco taxes also disproportionately impact low-income consumers, who are more likely to purchase these products legally from small retailers. Instead of quitting, many will seek cheaper alternatives outside of the regulated marketplace, including illicit sales and purchases from lower-taxed jurisdictions. This not only reduces tax revenue for the state but also increases the risks associated with counterfeit and unregulated products.

For small business owners like myself, these tax hikes directly threaten our ability to stay open and provide jobs. Retailers rely on legal tobacco sales as a key part of their revenue. The decline in sales following the 2024 vapor tax increase has already led to layoffs and closures across the state. Another steep tax hike on cigarettes will only accelerate this trend, harming local businesses while failing to achieve meaningful smoking cessation.

Instead of another tax increase, the state should focus on evidence-based harm reduction strategies, including education and access to safer alternatives. Over-taxation is not the solution, it is a recipe for job losses, increased black-market activity, and declining state revenue.

For these reasons, I urge you to reject HB 441. Thank you for your time and consideration.

Young Park

Honolulu, HI

Small Business Owner

HB-441-HD-2

Submitted on: 3/17/2025 4:50:26 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brian Yi	Testifying for Kona Liquor Store	Oppose	Written Testimony Only

Comments:

Testimony in Opposition to HB 441

Submitted by: **Brian Yi**

Kona Liquor Store

Dear Chair, Vice Chair, and Members of the Committee,

I'm writing to strongly oppose **HB 441**, which would increase the tax on cigarettes. While I understand the goal of reducing smoking, this tax **unfairly targets low-income consumers** who are already struggling with the rising cost of living. Instead of helping people quit, it just forces them to **spend more money on a legal product or find other ways to get it**. This kind of tax doesn't impact everyone equally—it hurts those who can least afford it.

On top of that, raising cigarette taxes will **push more people toward the black market**, where products are **untaxed, unregulated, and way easier for minors to get their hands on**. Legitimate businesses like **Kona Liquor**, which follow the law and check IDs, will lose customers to illegal sellers who don't care about regulations. Plus, the state could end up **losing tax revenue instead of gaining it**, since more people will find ways to avoid the higher prices.

Instead of another tax hike that **punishes responsible adults and fuels illegal sales**, the state should focus on **better education, harm reduction, and enforcing the laws we already have**. Small businesses like mine are doing our part to keep tobacco out of the hands of minors—this tax just makes it harder for legal retailers to compete. **I urge you to reject HB 441** and look for smarter ways to support public health without hurting everyday people.

Brian Yi

Kona Liquor Store



Senator Joy A. San Buenaventura, Chair
Senator Henry J. C. Aquino, Vice Chair
Members of the Senate Committee on Health and Human Services

Senator Donna Mercado Kim, Chair
Senator Michelle N. Kidani, Vice Chair
Members of the Senate Committee on Higher Education

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**.

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 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.

March 19, 2025

To: Members of the Hawaii House HHS/HRE Committees
From: Americans for Tax Reform
Re: **Oppose HB 441**

Dear Representative,

On behalf of Americans for Tax Reform (ATR), a non-profit organization which advocates in the interests of taxpayers and consumers throughout the United States, I urge you to reject HB 441, misguided legislation which seeks to increase the highly regressive excise tax on cigarettes and little cigars. As families across Hawaii struggle to make ends meet in this time of economic uncertainty, it is crucial that this proposal does not pass.

Evidence clearly demonstrates that if enacted, **this bill would do little to reduce smoking rates but would lead to a drastic decrease in state tax revenue due to an increase in tobacco smuggling.**

Data from the National Adult Tobacco Surveys has consistently demonstrated that tobacco tax increases have no statistically significant impact on the prevalence of smoking among those with household incomes of less than \$25,000. **72% of those who smoke are from low-income communities. Increasing taxes on people unable to quit will put unnecessary hardship on poor families.**

Cigarette taxes are highly regressive, meaning they impact people with lower socioeconomic status more than they hurt those in higher income brackets. In New York state, where the tax on cigarettes is relatively high, **people in the highest income groups spend only about 2% of their annual income on cigarettes. Poor New Yorkers spend nearly a quarter of their income (23.6%) on cigarettes. Similar statistics can be expected in Hawaii if this proposal is to pass. You cannot ignore the disproportionate impact that cigarette tax hikes have on low-income individuals when considering raising the tax rate on tobacco.**

Further, cigarette tax hikes promote black markets for smuggled tobacco products, and consistently result in revenues coming in far lower than projected. Contrary to popular belief that tobacco smuggling a victimless crime consisting of someone purchasing a few extra cartons across state lines, most tobacco smuggling is run by large organized crime syndicates.

Paradoxically, this tax may increase youth smoking in the state: By definition, criminals and smugglers are unlikely to obey laws and would not follow the rigorous age-verification requirements mandated at tobacco retailers and convenience stores.

Moreover, only three out of 32 state tobacco tax increases between 2009 and 2013 met tax revenue estimates and for this reason, economists and tax policy experts view tobacco taxes as unsound policy. It is generally unlikely that revenue estimates will be met. It has also been determined that **recent increases in the cigarette tax rate in the US have not achieved the reductions that cigarette tax advocates promised.** During years when there is a large increase in taxes, there is not an equivalent drop in cigarette purchases.

Instead, I urge you, the Hawaii Legislature, to embrace new methods that are proven to help reduce smoking rates and facilitate adult smokers quitting through reduced risk alternatives to tobacco such as e-cigarettes. Please read more about e-cigarettes below and consider how these products will save lives in Hawaii. Increased access to e-cigarettes is shown to lower smoking rates and improve public health. **Rather than punishing the most vulnerable populations in your state by voting for HB 441, I**

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www.ATR.org

encourage you to consider supporting policies that encourage e-cigarette use among adult smokers. Tens of thousands of lives depend upon it.

About E-Cigarettes and Vapor Products:

- Traditional combustible tobacco remains one of the leading preventable causes of death in **Hawaii**. **The negative health effects of combustible tobacco come from the chemicals produced in the combustion process, not the nicotine.** While highly addictive, nicotine is a relatively benign substance like caffeine and nicotine use “does not result in clinically significant short- or long-term harms”.

- Nicotine replacement therapies such as nicotine patches and gums have helped smokers quit for decades. In recent years, advancements in technology have created a more effective alternative: **vapor products and e-cigarettes. These products deliver nicotine through water vapor, mimicking the habitual nature of smoking while removing the deadly carcinogens that exist in traditional cigarettes.**

- The CDC has found that only 3.1% of youths use e-cigarettes daily and youth vaping rates continue to decline sharply, disproving the myth of an ongoing “youth vaping epidemic.”

Benefits of E-Cigarettes and Vapor Products:

- **Vapor products have been proven to be at least 95% safer than combustible cigarettes and are more than twice as effective at helping smokers quit** than traditional nicotine replacement therapies.

- The Cochrane Review, the gold standard of medical meta-analysis, has identified “high certainty evidence” that e-cigarettes are more **effective** than nicotine replacement therapies at helping those who smoke quit.

- Vaping has been endorsed by over 100 of the world’s leading public health organizations as safer than smoking and an effective way to help smokers quit.

- When e-cigarettes entered the market in 2003, the U.S. adult cigarette smoking rate was 21.6%. **Due to increased access to vaping, the U.S. adult smoking rate has plummeted to 12% as of 2022.**

- A University of Glasgow study showed that e-cigarettes particularly help disadvantaged persons quit smoking. **HB 441 will have a tremendously negative impact on public health and would fail to decrease socioeconomic disparities by reducing adult access to products shown to improve public health.**

- Large-scale analysis from Georgetown University Medical Center estimates that 6.6 million American lives can be saved if a majority of cigarette smokers switched to vaping. **This could save more than 100,000 lives in Hawaii alone.**

For the reasons outlined above and in the interests of public health, protecting the Hawaii economy at a time of high inflation, and preventing the spread of smuggling cartels, we call upon you to **accept the overwhelming evidence and vote against HB 441.** This legislation would do more harm than good and economically disadvantage the most vulnerable communities in Hawaii.

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AMERICANS *for* TAX REFORM

Sincerely,

Dennis Hull
State Affairs Manager
Americans for Tax Reform

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LATE

HB-441-HD-2

Submitted on: 3/18/2025 1:13:07 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ra Long	Testifying for R&K Liquor & Grocery	Oppose	In Person

Comments:

Aloha Chair and Members of the Committee,

As a local business owner in Hawai'i, I strongly oppose HB441 due to its harmful impact on small businesses and the rise in illegal sales and smuggling. The 70% vapor tax enacted in 2024 has already placed a tremendous burden on law-abiding retailers, forcing many customers to seek cheaper, unregulated products from illicit sources. This bill will only worsen the problem by further driving consumers away from legal businesses and into the black market, where products lack safety regulations and quality control. Instead of protecting public health, HB441 will create an environment where dangerous, untested products become more accessible.

Additionally, increasing restrictions and excessive taxation fuel smuggling operations, making enforcement more difficult and undermining the very goals this legislation seeks to achieve. When legitimate businesses can no longer compete, the underground market thrives, leading to a loss in state tax revenue and an increase in unmonitored sales. Law enforcement agencies will face greater challenges in controlling the influx of illegal products, ultimately making the situation more dangerous for consumers. If the state truly wants to reduce youth access and promote safety, it should focus on stronger enforcement against illicit sellers rather than punishing responsible businesses that comply with regulations.

Rather than implementing HB441, lawmakers should reconsider the unintended consequences of excessive taxation and restrictions. A more balanced approach that includes fair regulations and consumer education would be far more effective in addressing public health concerns while allowing legal businesses to operate responsibly. The current 70% vapor tax has already pushed many retailers to the brink, and additional burdens will only lead to more closures, job losses, and an expansion of the illegal market. For these reasons, I urge you to oppose HB441. Mahalo for your time and consideration.

Thank you for your time,

Ra Long

Owner, R&K Grocery & Liquor



Date: March 17, 2025

To: Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair
Members of the Senate Committee on Health and Human Services
Senator Donna Mercado Kim, Chair
Senator Michelle N. Aquino, Vice Chair
Members of the Senate Committee on Higher Education

From: Alexandria Felton, Advocacy Director, Campaign for Tobacco-Free Kids

Re: **Support with Amendments for HB 441 HD2, Relating to Cigarette Taxes**

Dear Chair San Buenaventura, Chair Mercado Kim, Vice Chair Aquino, Vice Chair Aquino, Members of the Senate Committee on Health and Human Services, and Members of the Senate Committee on Higher Education:

The Campaign for Tobacco-Free Kids & the Tobacco-Free Kids Action Fund support significant increases in cigarette taxes because they reduce tobacco use and prevent youth from starting to use tobacco products, and new revenue can be used to sufficiently fund health programs including the University of Hawai'i Cancer Center. **For this reason, we respectfully request consideration of at least a \$0.05 per cigarette (\$1.00 per pack) increase instead of the \$0.02 per cigarette (\$0.40 per pack) increase currently proposed in HB 441 HD2.**

Reports from the U.S. Surgeon General, the National Cancer Institute, the World Health Organization, the World Bank, and many others recognize that tobacco tax increases are one of the most effective interventions to reduce tobacco use, prevent initiation, and save lives. The Campaign for Tobacco-Free Kids and the American Cancer Society Cancer Action Network, working in conjunction with economists at Economics for Health (a research project housed in the Hopkins Bloomberg School of Public Health), estimate that a \$1.00 per pack cigarette tax increase in Hawai'i will generate \$10.84 million in new revenue in its first year. On top of that, this increase will prevent 500 kids in Hawai'i from becoming smokers, prompt 2,000 smokers to quit, prevent 500 smoking-caused deaths, and save the state more than \$31.8 million in long-term health care costs.

A small cigarette tax increase alone will not impact health. Research shows that **cigarette tax increases much lower than \$1.00 per pack 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.

We urge you to consider a higher tax rate increase that will both reduce tobacco use and provide the investment necessary for University of Hawai'i Cancer Center to meet the needs of the community.

Thank you,
Alexandria Felton, Campaign for Tobacco-Free Kids

Wednesday, March 19, 2025; 1:00 PM
Conference Room 225 & Video Conference

Senate Committee on Health and Human Services

To: Senator Joy San Buenaventura, Chair
Senator Henry Aquino, Vice Chair

Senate Committee on Higher Education

To: Senator Donna Mercado Kim, Chair
Senator Michelle Kidani, Vice Chair

From: Ray Vara
President & CEO

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

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 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.

HB-441-HD-2

Submitted on: 3/17/2025 11:05:47 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Travis Yoshinaga	Testifying for Marukin Market	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

I am Travis Yoshinaga, the owner of Marukin Market, a small, family-run business that has served our community for over a decade. I strongly oppose HB 441, which seeks to increase cigarette taxes further. While I understand the intent behind reducing smoking rates, the economic consequences of yet another tax increase on tobacco products would be devastating—not only to small businesses like mine but also to the state’s economy as a whole.

Negative Consequences of Increasing Cigarette Taxes

1. Encourages Black Market Sales and Illegal Trade

As seen in other states with excessively high tobacco taxes, sharp increases drive consumers to seek cheaper alternatives through illegal channels. Hawai‘i already faces a significant issue with smuggled and untaxed cigarettes. Higher taxes would only fuel this underground market, reducing state revenue rather than increasing it. In New York, where cigarette taxes are among the highest in the nation, nearly 53% of all cigarettes consumed are illicit—a prime example of how over-taxation can backfire.

2. Unfair Burden on Small Businesses

Local retailers like Marukin Market depend on the sale of legal, taxed tobacco products to stay afloat. We have already been struggling with the recent 70% vapor tax increase enacted in 2024, which has significantly cut our revenue from legal vapor product sales. Many of our customers have switched to online or black-market alternatives, leaving small businesses to bear the financial brunt. Another excessive tax increase on cigarettes will only make things worse, forcing customers away from legitimate businesses and further eroding our ability to survive.

3. Regressive Impact on Low-Income Consumers

Cigarette taxes disproportionately impact lower-income individuals who are less able to absorb the additional costs. Rather than quitting outright, many turn to illegal sources or divert spending

from essential goods. A more effective approach would be investing in accessible smoking cessation programs rather than imposing punitive taxes that harm vulnerable communities.

4. Declining Tax Revenue Over Time

While proponents argue that higher taxes generate revenue, studies show that excessive increases can lead to a decline in legal sales, ultimately reducing state tax collections. With the existing high tobacco taxes, Hawai'i is already seeing this effect. Further increases will only accelerate the shift to non-taxed sources, leading to diminishing returns for state funds.

Conclusion

The 70% vapor tax increase in 2024 has already hurt small businesses and fueled alternative markets. Increasing cigarette taxes further through HB 441 will only worsen these issues—encouraging illicit trade, harming small retailers, disproportionately affecting low-income residents, and potentially leading to lower state revenues in the long run.

I urge the committee to oppose HB 441 and instead consider more balanced approaches to tobacco regulation that do not cripple small businesses and drive consumers into the black market.

Thank you for your time and consideration.

Travis Yoshinaga

Owner, Marukin Market

HB-441-HD-2

Submitted on: 3/17/2025 2:06:39 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jeffery Kwon	Testifying for Young's Wine & Spirit	Oppose	Written Testimony Only

Comments:

Testimony in Opposition to HB 441

Submitted by: Jeffery Kwon

Young's Wine and Spirit

Dear Chair, Vice Chair, and Members of the Committee,

I strongly oppose HB 441, which seeks to increase the tax on cigarettes. While the intention may be to reduce smoking rates and generate state revenue, this bill will create serious unintended consequences, particularly for low-income consumers who are disproportionately impacted by tobacco taxation. Rather than encouraging cessation, excessive tax hikes force struggling individuals to spend more of their limited income or seek alternative, unregulated sources. This approach unfairly punishes legal adult consumers while failing to address the root causes of smoking.

Additionally, higher cigarette taxes drive consumers toward black market sales, where unregulated and untaxed products are readily available. This not only reduces state tax revenue but also fuels illicit trade, benefiting criminal networks rather than law-abiding retailers. Legitimate small businesses like Young's Wine and Spirit will suffer as customers turn to illegal sources or out-of-state purchases to avoid the tax burden, further damaging Hawai'i's economy.

Instead of relying on regressive taxation that disproportionately harms low-income individuals and encourages illegal sales, the state should focus on education, harm reduction, and enforcing existing regulations. Responsible retailers already play a key role in preventing underage sales, and increasing cigarette taxes will only push consumers away from regulated businesses without

truly addressing smoking rates. I urge the committee to reject HB 441 and consider policies that support both public health and economic fairness.

Jeffery Kwon

Young's Wine and Spirit

HB-441-HD-2

Submitted on: 3/17/2025 5:28:25 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gerald Morita	Testifying for Cigarettes and Things	Oppose	Written Testimony Only

Comments:

Aloha,

Hope you're doing great! My name is Gerald, and I run a small business called Cigarette and Things in Hawaii. I'm writing to share my thoughts on Hawaii State HB441, which I think could really hurt small businesses like mine.

Cigarette and Things has been a part of the community for 15 years. We've been and helping the local economy by creating jobs and supporting local suppliers. But the proposed bill could make our operations way more expensive and add more rules that could make it tough for us to stay afloat.

As a small business owner, I already have a lot on my plate, like rising rent and utility costs and dealing with complicated rules. If this bill goes through, it'll make things even harder, making it harder for us to compete and serve our community.

I really hope you'll think about how this bill could affect small businesses. Instead of making things worse, I think we should look for other ways to help small businesses in Hawaii grow and stay stable. Our businesses are the heart of the local economy, and we need policies that support our growth and success, not hinder it.

Thanks for taking the time to read my perspective. I'm hopeful we can find a solution that works for everyone involved.

Best,

Gerald Morita

Cigarette and Things



HB441 HD2 Cigarette Taxes
COMMITTEE ON HEALTH AND HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair

COMMITTEE ON HIGHER EDUCATION

Senator Donna Mercado Kim, Chair
Senator Michelle N. Kidani, Vice Chair

Wednesday, Mar 19, 2025: 1:00: Room 225 Videoconference

Hawaii Substance Abuse Coalition Supports HB441 HD2:

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.

The increase provides revenue to the state and helps to discourage youth use.

HSAC supports that some of the amount of tax increase go to the Hawaii Cancer research special fund, the trauma system special fund, the Community Health Centers, and the emergency medical services special fund as well as overflow to the general fund.

All these fund allocations help to support the state's budget.

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



Hawaii Medical Association

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SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair

SENATE COMMITTEE ON HIGHER EDUCATION

Senator Donna Mercado Kim, Chair
Senator Michelle N Kidani, Vice Chair

Date: March 19, 2025
From: Hawaii Medical Association (HMA)
Jerald Garcia MD - Chair, HMA Public Policy Committee

RE HB 441 HD2 Relating to Cigarette Taxes- Cigarette Tax; Disposition of Revenues;
Hawai'i Cancer Research Special Fund

Position: Support

This measure would increase the cigarette tax and amend the cigarette tax disposition of revenues by allocating the increase in the cigarette tax amount to the Hawai'i Cancer Research Special Fund.

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.

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

References and Quick Links

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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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

HB-441-HD-2

Submitted on: 3/17/2025 5:16:36 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Danny Hwang	Testifying for Ewa Pantry and Kakaako Smokes and Bevmart	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Danny Hwang, and I am a local business owner who has proudly served Hawai‘i for over 20 years. I strongly oppose HB 441 due to the devastating impact it will have on local businesses, the economy, and public safety. With the 70% vapor tax enacted in 2024, legal retailers are already struggling to stay afloat, while illegal sales and smuggling continue to rise. This bill will only worsen the situation by driving more consumers to unregulated markets, where products are untested, unsafe, and easily accessible to youth. Instead of imposing more restrictions on responsible businesses, the state should focus on enforcing existing laws to curb illicit sales and protect consumers.

Furthermore, HB 441 threatens Hawai‘i’s tourism industry, which plays a crucial role in our economy. Many visitors seek out legal vapor products while traveling, and restrictive policies may influence their choice of destination. Hawai‘i already faces high costs and limited consumer options, and further limitations could push potential tourists to other locations where they can access the products they prefer. In a time when we are working to rebuild and strengthen our economy, we cannot afford to implement policies that deter visitors and reduce consumer spending in local businesses.

Most importantly, this bill puts local jobs at risk. As a business owner with over two decades of experience, I have seen firsthand how difficult it is to sustain operations in Hawai‘i. If HB 441 passes, many retailers, wholesalers, and distributors will be forced to downsize or shut down entirely, leading to significant job losses for local workers who depend on this industry. Instead of pushing policies that hurt small businesses and employment, we should be working toward balanced solutions that support economic growth while ensuring public health and safety. I respectfully urge you to oppose HB 441 and stand with local businesses, workers, and Hawai‘i’s economy. Mahalo for your time and consideration.

Danny Hwang

Bevmart

Ewa Pantry

Kakaako Smokes

TESTIMONY IN SUPPORT OF HB 441 HD2

TO: Chairs San Buenaventura and Kim, Vice-Chairs Aquino and Kidani, and Members

FROM: Michael Paul, Certified Tobacco Treatment Specialist

DATE: March 19, 2025 (1:00pm)

Hawai'i Health & Harm Reduction Center (HHRC) **supports** with amendments HB 441 HD2, which would increase the tax on cigarettes and little cigars, raising revenue for the Hawaii cancer research special fund.

With the ongoing support of the Hawai'i Community Foundation, HHRC continues to offer smoking cessation services that are tailored to meet the needs of our state's LGBTQ+ people through its [Hawai'i's Last Drag](#) (HLD) program. I proudly work as one of HLD's certified tobacco treatment specialists (CTTS). We work with individuals in ways that are most appropriate for their current needs, with trainings conducted in person or via phone, text, or videoconferencing. We provide smoking cessation products to assist them with quitting the consumption of smoked tobacco and other nicotine products.

This bill will be most effective at both raising funds for cancer center research as well as reducing cigarette smoking if it is amended to raise the tax by a minimum of 5 cents per cigarette (\$1 a pack). Significant increases to a state's tobacco tax [have consistently produced a substantial increase in tax revenues](#) and are less volatile than other revenue resources. This would help provide much needed revenues to the special fund for cancer research in Hawai'i, as well as the other special funds supported by the state tobacco tax.

Raising the price of a pack of cigarettes by \$1 won't just contribute more money, it will contribute to reducing the smoking of cigarettes [by youths](#) and adults alike. Significant cigarette tax increases have consistently [been linked](#) to reduced rates of initiation by prospective smokers, increased tax revenues in state coffers and reducing the health costs, often shouldered by the state, that smoking inevitably causes.



Significantly raising cigarette taxes is so effective at curbing the initiation of new smokers and helping people to quit, that tobacco companies, like Philip Morris, now known as Altria, have complained that it is among their largest concerns, ["Of all the concerns, there is one - taxation - that alarms us the most. While marketing restrictions and public and passive smoking \[restrictions\] do depress volume, in our experience taxation depresses it much more severely..."](#)

HHHRC's mission is to reduce harm, promote health, create wellness, and fight stigma in Hawai'i and the Pacific. We work with many individuals impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those related to substance use and mental health conditions. Many of our program clients and participants have also been deeply impacted by trauma, including histories of physical, sexual, and psychological abuse.

Thank you for the opportunity to testify on this measure.

To: Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair
Senate Committee on Health and Human Services

Senator Donna Mercado Kim, Chair
Senator Michelle N. Kidani, Vice Chair
Senate Committee on Higher Education

From: Chevelle Davis, MPH - Director of Early Childhood & Health Policy
Hawai'i Children's Action Network Speaks!

Subject: Measure H.B. No. 441 H.D. 2 – Relating to Cigarette Taxes

Hearing: Wednesday, March 19, 2025, at 1:00 PM, Conference Room 225

POSITION: SUPPORT

Aloha e Chairs San Buenaventura and Kim, Vice Chairs Aquino and Kidani, and Members of the committees:

Mahalo for the opportunity to provide testimony in **STRONG SUPPORT of H.B. No. 441 H.D. 2**, which seeks to amend the cigarette tax and allocate the resulting increase in revenue to the Hawai'i Cancer Research Special Fund. This measure is an important step toward reducing the prevalence of smoking in our communities while directly supporting life-saving cancer research efforts in our state.

Tobacco use remains one of the leading causes of preventable death and disease in Hawai'i, disproportionately affecting our most vulnerable populations, including low-income families, Native Hawaiian communities, and our keiki who are at increased risk of early nicotine addiction. Studies have shown that increasing the price of cigarettes through taxation is one of the most effective methods to reduce smoking rates, especially among youth. By discouraging cigarette consumption, this bill aligns with public health priorities that seek to create a healthier future for Hawai'i's children.

Moreover, directing the additional tax revenue to the Hawai'i Cancer Research Special Fund ensures that our state continues to make strides in cancer prevention, treatment, and innovation. Cancer remains a significant health burden in our state, and dedicated funding for research is essential to improving outcomes for those affected by this disease. Investing in cancer research today means better prevention, earlier detection, and more effective treatments for generations to come.

Hawai'i Children's Action Network Speaks! is committed to advocating for policies that protect the health and well-being of Hawai'i's keiki and families. By passing this bill, the Legislature has the opportunity to both reduce smoking rates and strengthen Hawai'i's efforts in combating cancer—a win-win for public health.

We urge the committee to pass **H.B. No. 441 H.D. 2** and help build a healthier Hawai'i for our children and future generations.

Mahalo for the opportunity to provide testimony on this important measure.



**WAIANAЕ COAST
COMPREHENSIVE
HEALTH CENTER**

**Wednesday, March 19, 2025 at 1:00 PM
State Capitol, Conference Room 225 & Videoconference**

**SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES &
SENATE COMMITTEE ON HIGHER EDUCATION**

**To: Chair Joy A. San Buenaventura
Vice Chair Henry J.C. Aquino**

**Chair Donna Mercado Kim
Chair Michelle N. Kidani**

**From: Ian Ross
Public Affairs Director**

RE: TESTIMONY IN SUPPORT OF HB441 HD2 - RELATING TO CIGARETTE TAXES

Aloha Chair San Buenaventura, Chair Kim, Vice Chairs Aquino and Kidani, and Members of the Committees,

The Waianae Coast Comprehensive Health Center (WCCHC) offers its support for HB441 HD2, which proposes an increase in the cigarette tax with additional revenues allocated to the Hawai'i Cancer Research Special Fund.

WCCHC is a Federally Qualified Health Center that serves over 35,000 patients annually in West O'ahu, one of the most underserved areas of Hawai'i. For over 52 years, we have provided comprehensive primary and behavioral health care, vision services, dental services, and emergency medical services. We work tirelessly to address not only immediate health concerns but also the long-term health outcomes for our community.

As a health center located in a community with higher rates of tobacco use compared to state averages, we are acutely aware of the devastating impact tobacco-related illnesses have on individuals and families. Lung cancer, heart disease, and other conditions linked to smoking remain leading causes of preventable death in our state. HB441 takes a step forward in addressing these challenges by both discouraging smoking through higher taxes and redirecting resources toward lifesaving research.

This legislation also provides a worthwhile boost to the Hawai'i Cancer Research Special Fund, enabling cutting-edge research to benefit all residents of Hawai'i.

WCCHC respectfully ask these Committees to pass HB441 HD2.

Mahalo for the opportunity to provide testimony on this important measure.

HB-441-HD-2

Submitted on: 3/18/2025 12:58:10 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

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

Comments:

Oppose.

HB-441-HD-2

Submitted on: 3/17/2025 11:57:06 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Luke Itomura	Individual	Support	In Person

Comments:

Written Testimony in Support of HB441 HD2 with Amendments

Submitted to: Senate Committees on Health and Human Services (HHS) and Higher Education (HRE)

Hearing Date: March 19, 2025, 1:00 PM

Dear Chairs, Vice Chairs, and Members of the Committees,

My name is Luke Itomura, and 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 Hawaii, 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.

Mahalo for your time and consideration.

Sincerely,
Luke Itomura

HB-441-HD-2

Submitted on: 3/17/2025 11:15:21 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Bryan Mih	Individual	Support	In Person

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 strongly supports regulation and taxation of tobacco products to prevent initiation of use, especially by young people.

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, please support the amendments to this bill that increase the tax by at least \$1.00 per pack, which would provide additional 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



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 (8th 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	
Percent decrease in youth (under age 18) smoking:	6.9%
Youth under age 18 kept from becoming adults who smoke:	500
Reduction in young adults who smoke (18-24 years old):	100
Current adults who smoke who would quit:	2,000
Premature smoking-caused deaths prevented:	500
5-Year reduction in the number of smoking-affected pregnancies and births:	80
5-Year health care cost savings from fewer smoking-caused lung cancer cases:	\$360,000
5-Year health care cost savings from fewer smoking-affected pregnancies and births:	\$190,000
5-Year health care cost savings from fewer smoking-caused heart attacks & strokes:	\$220,000
5-Year Medicaid program savings for the state:	\$990,000
Long-term health care cost savings from adult & youth smoking declines:	\$31.80 million

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>.

HB-441-HD-2

Submitted on: 3/13/2025 4:11:38 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessica Chang	Individual	Oppose	Written Testimony Only

Comments:

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Individual Testimony SUPPORT HB 441 HD 2

RELATING TO CIGARETTE TAXES

Dear Chairs Kim and Buenaventura, Vice Chairs Kidani and Aquino, and Members of the Committees:

My name is Lang Wu. I am an Associate Professor at the University of Hawai'i Cancer Center and Director of Pacific Center for Genome Research at University of Hawai'i. My testimony is submitted as an individual and not as a representative of the University of Hawai'i or the UH Cancer Center.

I herein submit my individual testimony **SUPPORT** the bill **HB 441 HD 2** to allocate the increase in the cigarette tax amount to the Hawai'i Cancer Research Special Fund.

The faculty and staff of the UH Cancer Center, are working tirelessly to help the people of Hawaii. Our goals are to reduce the burden of cancer on the people in the state by improving cancer prevention, diagnosis, treatment, and education. Funding from the cigarette tax toward UHCC has been instrumental since this fund's inception in 2006. 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.

For the reasons above, I am strongly **SUPPORT HB 441 HD 2**.

Thank you,

Lang Wu, PhD
Associate Professor
UH Cancer Center

HB-441-HD-2

Submitted on: 3/14/2025 11:08:22 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brian Santiago	Individual	Oppose	Written Testimony Only

Comments:

This tax increase is unfair. Where's the long term funding source?

Because of this, I oppose HB441.

Sincerely,

Brian Santiago

Date: March 14, 2025

To: The Honorable Joy A. San Buenaventura, Chair
The Honorable Henry J.C. Aquino, Vice Chair
Members of the Senate Committee on Health and Human Services

The Honorable Donna Mercado Kim, Chair
The Honorable Michelle N. Kidani, Vice Chair
Members of the Senate Committee on Higher Education

Re: **Support for HB441 HD2**, Relating to Cigarette Taxes

Hrg: Wednesday March 19, 2025 at 1:00 pm Conference Room 225 & Videoconference

Aloha Senate Committees on Health and Human Services and Higher Education,

As a parent, community member and healthcare professional I am writing in **strong support of HB441 HD2 with amendment**, which beginning 7/1/2025, 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 Research Special Fund.

Allocating the 40 cent/pack increase in HB441 HD2 for the Cancer Research Fund will allow much-needed cancer research in Hawai'i to continue uninterrupted.

I respectfully ask the Committee to amend HB441 HD2 to raise the tobacco tax by \$1.00/pack, which will result in an estimated:

- 2,400 Hawai'i adults quitting tobacco, including 100 young adults aged 18-24
- 7.4% reduction in tobacco use among Hawai'i youth under the age of 18
- 700 fewer premature deaths caused by smoking

And, raising the tobacco tax by \$1.00/pack will raise nearly \$11.5 million dollars in annual revenue.

I strongly support HB441 HD2, ask you to amend as stated above **and pass it out of committee.**

Many thanks for your consideration,

Forrest Batz, PharmD
Keaau, HI

HB-441-HD-2

Submitted on: 3/14/2025 1:45:20 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Maria Moreno-Chow	Individual	Support	Written Testimony Only

Comments:

I am in support of HB441 HD2 relating to Cigarette Taxes.

The current state cigarette tax is \$3.20 per pack (8th among all states and DC).

Annual health care expenditures in Hawai'i directly caused by tobacco use are \$611 million.

Increasing the cigarette tax by at least \$1 can reduce tobacco use, and would result in:

- 2,000 adults who currently smoke would quit
- 100 young adults aged 18-24 would quit
- there would be a 6.9% decrease in youth under 18 that smoke

-long-term health care cost savings from adult and youth smoking declines would be \$31.8 million

The projected annual revenue from increasing the cigarette tax by \$1.00 per pack in Hawai'i would be \$10.84 million. Most importantly the 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 Hawai'i directly caused by tobacco use are in 2018 dollars and are based on the CDC's 2014 Best Practices for Comprehensive Tobacco Control Programs.

Thank you.

Maria Moreno-Chow, DNP, FNP-BC

HB-441-HD-2

Submitted on: 3/14/2025 4:27:29 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Katie Folio	Individual	Support	Written Testimony Only

Comments:

Aloha,

I'm writing this in support of HB 441 with ammendments. We have not raised the cigarette tax in Hawai'i for a very long time, so please consider raising it by \$1.00 per pack to benefit the health of our people. A tax increase will help offset any revenue lost from the sale of all flavored tobacco products, which should be banned this session as well. And both of these measures would save our state in medical care costs in the long run.

Mahalo nui loa,

Katie Folio

HB-441-HD-2

Submitted on: 3/15/2025 11:30:12 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Monica McLaren	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of Legislative Bill for Cigarette Tax Increase

Advocating for a Healthier Hawaii through Cancer Prevention, Treatment, and Research

I am testifying in strong support of the legislative bill proposing a modest yet impactful increase of 2 cents per cigarette in Hawaii's cigarette tax. The primary objective of this bill is to fund critical cancer prevention, treatment, and research initiatives at the University of Hawaii Cancer Center. This proposal is not merely a fiscal adjustment; it is a profound investment in the health and well-being of our community.

The Urgent Need for Enhanced Cancer Prevention and Treatment

Cancer remains one of the leading causes of mortality in Hawaii, affecting countless families and individuals across our islands. Despite advances in medical science, the burden of cancer continues to rise, necessitating robust and sustained efforts in prevention, early detection, and treatment. UHCC stands at the forefront of these efforts, providing cutting-edge research, compassionate patient care, and educational outreach to reduce the incidence and impact of cancer in our state.

Addressing Health Disparities

Hawaii's diverse population faces unique health challenges, with significant disparities in cancer incidence and outcomes among different ethnic groups. Native Hawaiians, Pacific Islanders, and other minority communities are disproportionately affected by certain types of cancer, often facing barriers to access timely and effective treatment. By increasing the cigarette tax, we can generate vital funds to support targeted initiatives that address these disparities, ensuring that all residents of Hawaii have access to the highest standard of care.

Preventive Measures and Public Health Campaigns

The proposed tax increase will enable UHCC to expand its preventive measures and public health campaigns. Smoking is a well-documented risk factor for numerous cancers, including lung, throat, and mouth cancer. By discouraging smoking through higher taxes, we can reduce the prevalence of these cancers and save lives. Additionally, the funds raised will support educational programs aimed at reducing tobacco use among our youth, fostering a healthier future generation.

Thank you for your representation of our community's needs. I hope you bear those in mind and support this small increase.

Respectfully,

Monica McLaren

Testimony to Hawaii State Legislature Senate Committees on Health and Humans Services & Higher Education

Re: Support for HB441 HD2 relating to cigarette taxes

Dear Senate Committee on Higher Education:

I support HB441 HD2 which proposes, beginning 7/1/2025, to amend the cigarette tax and the disposition of revenues by allocating the increase in the cigarette tax amount to the Hawaii Cancer Research Special Fund.

My understanding is that increasing the cigarette tax has been one of the most effective incentives for smokers to quit their absolutely-no-good-for-anything habit. The Hawaii state legislature has rightly used the cigarette tax for the public health impact, as well as for state revenues. A quick web search shows that there are 6 other states (CT, MA, MD, NY, OR, RI) and DC with an up to 65% higher state cigarette tax rate per pack than Hawaii, even with the proposed increase.

Events in the past 2 months have made it clear that states cannot rely on federal support for critical operations, including cancer research. Two lawsuits are pending and temporarily halting the current Administration's effort to drastically reduce the NIH support for research infrastructure at institutions, including the UH Cancer Center that leads NIH-supported research in Hawaii and the Pacific.

Additionally, the NIH's biomedical research support is broadly under attack. This will have an especially negative impact on Hawaii, the most diverse state in the country, where many NIH research grants have focused on solving important biomedical study questions to specifically promote health equity and inclusive research for the State's diverse populations. The economic impact will be significant beyond the actual grant amount lost. The FY24-25 report from United for Medical Research (unitedformedicalresearch.org) estimates that every dollar of NIH grants to Hawaii has generated a 3-fold economic gain, i.e., \$188M in employment and other economic activities from the \$67M NIH grants.

I submit this testimony thinking of the many people who will be supported and sustained by this bill during these difficult times. The community participants in the Cancer Center's clinical and preventive research studies, to whom such opportunities mean a great deal. The hard-working research faculty and staff at the Cancer Center who take pride and joy in their rigorous work. The students who gain essential skills and understanding from their mentored research at the Cancer Center, not attainable from classroom lessons.

I respectfully urge the committees to support HB441 HD2.

Unhee Lim
Professor, UH Cancer Center

HB-441-HD-2

Submitted on: 3/15/2025 4:12:33 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
mary santa maria	Individual	Support	Written Testimony Only

Comments:

Please increase the tobacco Tax by \$1.00, and give the Tax increase to the Cancer Reseach Fund. The increase in the tobacco tax will increase the cost, therby it will result in young people quitting, and save \$\$\$\$ on acute and long term medical costs. There are multiple studies that show this. Please pass this bill with the amendment that the Tax should be \$1.00.

Sincerely

Mary Santa Maria

HB-441-HD-2

Submitted on: 3/15/2025 9:11:26 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lynn Murakami Akatsuka	Individual	Support	Written Testimony Only

Comments:

I strongly support HB 441, HD 2 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 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-HD-2

Submitted on: 3/15/2025 10:45:44 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Rick Collins	Individual	Support	Written Testimony Only

Comments:

Please increase the tax rate to \$1 per pack. This will help protect my children and all children from becoming future smokers. Mahalo

HB 441 HD2 Relating to Cigarette Taxation

To: the Finance Committee

I am submitting this testimony in support of HB 441 HD2 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-HD-2

Submitted on: 3/16/2025 3:05:22 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathy Kim	Individual	Oppose	Written Testimony Only

Comments:

This tax increase is an attack on working people.

HB-441-HD-2

Submitted on: 3/16/2025 1:38:28 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

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

Comments:

Date: March 16, 2025

To: Sen. Joy A. San Buenaventura, Chair

Sen. Henry J. C. Aquino, Vice Chair

Members of the Senate Committee on Health and Human Services

Sen. Donna Mercado Kim, Chair

Sen Michelle N. Kidani, Vice Chair

Members of the Senate Committee on Higher Education

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

I strongly support HB441, HD2, 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 and urge you to pass it out of committee.

HB-441-HD-2

Submitted on: 3/17/2025 12:06:19 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Andrew Lum	Individual	Support	Written Testimony Only

Comments:

Chair San Buenaventura, Chair Kim, Vice Chair Aquino, Vice Chair Kidani, and Members of the Committees,

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

I urge you to pass HB441 HD2, a bill that will save lives. Every year, families across Hawai‘i lose loved ones to cancer caused by smoking. We see the devastating impact firsthand—parents taken too soon, grandparents who never get to watch their grandchildren grow up, and communities struggling with the health and financial burdens of tobacco-related diseases.

Raising the cigarette tax is more than just a policy decision—it is a statement that we prioritize health over profit, people over industry influence. Studies show that higher cigarette taxes directly reduce smoking rates, especially among youth and low-income individuals who are disproportionately targeted by the tobacco industry. Fewer smokers today mean fewer cancer patients tomorrow.

The University of Hawai‘i Cancer Center plays a critical role in preventing and treating tobacco-related cancers, particularly among Native Hawaiian and Pacific Islander communities, who suffer from some of the highest rates of smoking-related illnesses. The funding generated by this bill will help sustain life-saving cancer research, prevention programs, and education initiatives that benefit all of Hawai‘i.

This is not just about numbers and statistics. It’s about real people—our friends, our neighbors, our ‘ohana. We have the opportunity to take a bold step toward a healthier future. I urge you to support HB441 HD2 and stand up for a Hawai‘i where fewer families have to experience the heartbreak of losing a loved one to tobacco-related diseases.

Mahalo for the opportunity to testify.

HB-441-HD-2

Submitted on: 3/17/2025 11:53:23 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Valerie Smalley	Individual	Support	Written Testimony Only

Comments:

Aloha ,

Senator Joy San Buenaventura Chair, Senator Henry Aquino Vice Chair,

Senator Donna Mercado Kim Chair, Senator Michelle Kidano Vice Chair,

Committee Members.

I am writing in strong support of HB441 HD2 which would increase the cigarette tax by at least \$1 , which has shown to help to motivate current smokers to quit and also prevent youth from starting. This increase would help the Cancer Center and also save the state approximately \$31.8 billion in health care costs incurred by smoking related medical expenses .

Thank you for taking this in consideration

Valerie Smalley

HB-441-HD-2

Submitted on: 3/17/2025 11:03:10 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mark Willingham	Individual	Support	Written Testimony Only

Comments:

My name is Mark Willingham. I am a Community Health Educator at the University of Hawai'i Cancer Center. My testimony is submitted as an individual and not as a representative of the University of Hawai'i or the UH Cancer Center. HB 441 would increase the cigarette tax and amend the cigarette tax disposition of revenues by allocating the increase in the cigarette tax amount to the Hawai'i Cancer Research Special Fund. Smoking is the number one cause of preventable disease and death worldwide, and a major focus of the UH Cancer Centers' efforts regarding research and prevention. The UH Cancer Center is an important partner in Hawaii's progress for prevention, diagnosis and treatment of smoking related cancers; therefore, I write in support of HB 441, HD1.

HB-441-HD-2

Submitted on: 3/17/2025 10:28:33 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
William Reese Liggett	Individual	Support	Written Testimony Only

Comments:

HHS/HRE

I am William Reese Liggett, resident 96816.

Please increase the tax on tobacco and any other product that employs habit forming substances like nicotine. I work with street youth and one of their tragedies is that they are hooked on nicotine--mostly smoking machines, AND they can't even begin to afford the habit. Please raise taxes to make it more expensive and less attainable and ban all smoke flavoring.

Thank you for being legislators.

Yours truly,

William Reese Liggett

Re: HB 441, HD 2 – Cigarette Tax Bill.

Position: **Strongly Support**

Aloha Honorable Chair, Vice Chair and Members of Committee,

My name is Cathy Zhang. I am writing to express my strongest support of HB 441, HD2, which proposes increasing the cigarette tax to the Hawaii Cancer Research Special Funds.

As a former healthcare provider and current employee at the University of Hawaii, I'm providing a written testimony as an individual to humbly ask for your support of the bill. Over the years, I have witnessed the strong and urgent need from local residents to have access to high-quality cancer care without having to travel long distances to other cancer centers, such as MD Anderson and Mayo Clinic. As one of only 72 NCI- designated Cancer Center, the UH Cancer Center has made significant strides in improving early detection and treatment.

Each year, about 7,500 local residents are diagnosed with cancer in Hawaii, and more than 2,400 Hawaii residents die from cancer. Cancer is the second leading cause of death in Hawaii. While we are proud to say that we live in Paradise Hawaii, we must acknowledge that we have usually high incidence of liver, breast and colorectal cancer in our state. There are known factors, as well as many unknowns, that researchers at the UH Cancer Center are studying, such as lifestyle, genetics, and environmental interactions, through studies like the Hawaii Tumor Registry, the Breast Tumor Registry in Hawaii, and the Multi-Ethnic Cohort Studies, to name just a few.

Moreover, from the state's investment perspective, I recall that during the pandemic, there was much discussion about diversifying the state economy so that we are not solely dependent on tourism. Investing in cancer research and local healthcare infrastructure will be a perfect example of this, by creating jobs in healthcare, science, research and technology. That will also attract top-notch scientists, doctors, and researchers to the state, and to provide job opportunities for local graduates who complete their studies either on the mainland or in Hawaii. According to the Hawaii Physician Workforce Report 2024, Hawaii is currently short 19 hematology/oncology physicians.

Thank you for your consideration in supporting the bill, which can have a direct and meaningful impact, ultimately, saving lives!!!

Dear Chair San Buenaventura, Vice Chair Aquino, and members of the Health & Huan Services Committee, as well as Chair Kim, Vice Chair Kidani, and members of the Higher Education Committee,

Mahalo for the opportunity to provide testimony regarding this important matter.

My name is Crissy Kawamoto, and I am a resident of Pālolo Valley. I am also a research project manager in the Cancer Prevention program at the University of Hawai'i Cancer Center, but I am testifying today as an individual.

I am writing to you today to express **STRONG SUPPORT** for **HB441 HD2**, which increases the cigarette tax and increases the amount of the tax allocated to the Hawai'i cancer research special fund. I ask that you would please support it, too.

HB-441-HD-2

Submitted on: 3/17/2025 8:57:30 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kami White	Individual	Support	Written Testimony Only

Comments:

My name is Kami White and I fully support HB441 HD2. Our state needs to show its commitment to a healthier Hawaii. Thank you.

HB-441-HD-2

Submitted on: 3/17/2025 8:56:58 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Susan Hirano	Individual	Support	Written Testimony Only

Comments:

My name is Susan Hirano and I submit my testimony in strong support of HB441. I have had the pleasure of appearing in person to state my personal reasons for supporting this bill, but am traveling for spring break and unable to be there.

I am a stage 4 metastatic breast cancer thriver who has gone through various lines of treatment that continue to allow progression of this relentless disease. The small amount of funding from this bill will support the UHCC and its clinical trials program that our island community so desperately needs. The offering of these trials - that provide the future standard of care - allow me and others like me the ability to stay home to receive cutting edge treatment when nothing else works. Currently, our only option is to fly to the mainland, not only taxing our bodies with the long flights but more importantly, taking us far from our families and biggest emotional support during the most critical time of our journey. Not only is this daunting emotionally, the monetary expenses related to the extended stay and airfare are unattainable for most.

Please give your support to this crucial bill to support the UHCC which will provide a little bit more funding to support these needed services to our islands so that we can save the lives of our people.

To: Senator Donovan Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair
Members of the Committee on Health and Human Services AND Committee on Higher Education

RE: Strong Support of HB 441 – Relating to Cigarette Taxes.

Hearing: Wednesday, March 19, 2025; TIME: 1:00PM

Chair San Buenaventura, Chair Kim and joint committee members:

My name is Michelle Hashimoto, a current Pu'unui resident, 1988 graduate of Moanalua High School, and 1992 graduate of University of Hawai'i at Mānoa ... and long time cancer fighter in my community. I am also an advocate for the American Cancer Society Cancer Action Network and the University of Hawai'i Cancer Center. I am an **advocate** for HB 441.

As a caregiver for my father who battled cancer, a concerned parent, and an active community member, I am in STRONG SUPPORT of HB441 HD1. Please consider raising the cigarette tax by \$1.00 per pack which would give additional funding for the UH Cancer Center while improving the health of our state by reducing tobacco use.

Cancer is the leading cause of death among Asian Americans and the second-leading cause among Native Hawaiian and other Pacific Islander individuals. The UH Cancer Center provides important cancer research, access to life-saving treatment including clinical trials, and education which play a critical role in reducing the cancer burden for multi-ethnic residents.

My 86-year old father was diagnosed with esophageal cancer a few months before his passing. Although he didn't pass from cancer, please know that through research studies done at the University of Hawai'i Cancer Center, lifesaving findings help folks like my father get diagnosed earlier as well as have more treatment options and **better health outcomes**. Our families and friends need your support for today and ... for our future.

Research is critical to understanding and reducing cancer disparities, as well as examining gaps in cancer prevention and care delivery that contribute to these disparities. The UH Cancer Center is *saving lives in Hawai'i and the Pacific*.

I humbly ask for your **STRONG SUPPORT** of HB441 HD1 – Relating to Cigarette Taxes.

Sincerely,
Michelle Hashimoto
2533 Stream Drive
Honolulu, HI 96817

(808) 741-5854

HB-441-HD-2

Submitted on: 3/17/2025 11:30:13 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lenora Loo	Individual	Support	Written Testimony Only

Comments:

My name is Lenora Loo. I am a Faculty Member at the University of Hawai'i Cancer Center (UHCC). My testimony is submitted as an individual and not as a representative of the University of Hawai'i or the UHCC.

I strongly support HB441 to increase the cigarette tax to support the important work being conducted at the UHCC. It is critical that the State of Hawaii support the efforts to reduce the burden of cancer for residents of Hawaii.

HB-441-HD-2

Submitted on: 3/17/2025 6:36:32 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Keith Kanetani	Individual	Support	Written Testimony Only

Comments:

Chair San Buenaventura, Chair Kim and joint committee members:

My name is Keith Kanetani and I am an advocate for UH Cancer Center and a volunteer with the UH PAC and the Community Scientist Advocacy Program, in addition to being an advocate with the American Cancer Society, Cancer Action Network and STRONGLY SUPPORT of HB441 HD2. Please consider raising the cigarette tax by \$1.00 per pack which supports the UH Cancer Center while improving the health of our state and reduce tobacco use.

- Cancer is the [leading](#) cause of death among Asian Americans and the second-leading cause among Native Hawaiian and other Pacific Islander individuals.
- The UH Cancer Center provides important cancer research, access to life-saving treatment including clinical trials, and patient education which play a critical role in reducing the cancer burden for multi-ethnic residents.
- Being from the Big Island, we do not have easy access to the professional scientist teams on Oahu providing Cancer Research. The UHM Cancer Center with their goals of providing outreach programs to the outer island through their PAC and newly developed Community Scientist Program will change the face of collaboration, availability of information and services to all the outer Islands.

Sincerely,

Keith B. Kanetani

Hilo, Hawaii, 96720

HB-441-HD-2

Submitted on: 3/17/2025 2:50:09 PM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
sheri higa	Individual	Support	Written Testimony Only

Comments:

We desperately need to pass HB 441 in a show of support for the UH Cancer Center. Increasing the cigarette tax by a mere two cents will help the Center continue its mission dedicated to saving lives in Hawaii and the Pacific by conquering cancer. The Center is a top-notch research facility that benefits the state not only by its academic excellence but also through economic contributions.

Hawaii must step up and commit to supporting the Center for years to come and let Dr. Ueno and staff concentrate on what they know best, saving lives.

HB-441-HD-2

Submitted on: 3/18/2025 12:04:23 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Marilyn Itomura	Individual	Support	Written Testimony Only

Comments:

I support this bill with an amendment to increase/add \$1 tax. Research has shown this amount is effective at encouraging people to quit tobacco.

February 21, 2025

Aloha Chairs San Buenaventura and Kim, Vice Chairs Aquino and Kidani and members of the Senate committees on Health and Human Services and Higher Education. Mahalo for this opportunity to submit testimony in support of HB 441, HD2 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 fall 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 every starting. As a result, low-income families and communities will not be the victims of any 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 caused by a 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, 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

COMMITTEE ON HEALTH AND HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair

COMMITTEE ON HIGHER EDUCATION

Senator Donna Mercado Kim, Chair
Senator Michelle N. Kidani, Vice Chair

March 19, 2025 (1:00 pm)

Individual Testimony in SUPPORT of HB 441 HD2

RELATING TO CIGARETTE TAXES

Dear Chairs San Buenaventura and Kim, Vice Chairs Aquino and Kidani, and Members of the Committees:

Thank you for the opportunity to submit an individual testimony. I am in **strong support** of HB 441 HD2.

My name is Izumi Okado, and I am an Assistant Professor/Researcher at the University of Hawai'i Cancer Center. My testimony is submitted as an individual and not as an official university or center spokesperson.

Funding from the cigarette tax has been instrumental to the UH Cancer Center since its inception in 2006. However, due to the success of smoking cessation efforts, this revenue has declined, indicating both progress in public health and a concerning decrease in resources for the initiatives that have fueled this advancement. An increase would bring profound benefits for our 'Ohana and our community. Restoring cigarette-tax funding would expand the Center's capacity to conduct groundbreaking research and deliver cutting-edge patient care and saving more lives across Hawaii and the Pacific.

More than 70,000 people in this state are living with cancer, and each year approximately 2,300 Hawai'i residents die from cancer. 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. It is of utmost importance 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. 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.

Izumi Okado, PhD, Assistant Professor, University of Hawai'i Cancer Center

Testimony in Support of HB441 HD2

Hearing Date: 03-19-25

Committee: HHS/HRE

Submitted by: John Shepherd PhD

Chair (HHS) Joy San Buenaventura, Vice Chair (HHS) Henry Aquino,

Chair (HRE) Donna Mercado Kim, Vice Chair (HRE) Michelle Kidani and Members of the Committees

I am writing in strong support of HB441 HD2, which amends the cigarette tax and allocates additional revenues to the Hawaii Cancer Research Special Fund. While I am affiliated with the University of Hawaii Cancer Center, I submit this testimony as a private citizen who recognizes the urgent need for sustained funding for cancer research and prevention in our state.

Hawaii has made significant progress in reducing smoking rates through effective smoking cessation programs, leading to improved public health outcomes. However, this success has also resulted in a considerable decline in tax revenues historically relied upon to fund essential health initiatives, including cancer research and prevention programs. The need for sustained and even increased investment in cancer research remains critical, as cancer continues to be a leading cause of death in Hawaii.

By ensuring that there is no cap on the financial support provided to the Cancer Research Special Fund, this bill allows for flexibility in addressing the ever-growing needs of cancer prevention and treatment. Cancer research requires sustained funding to support groundbreaking discoveries, clinical trials, and community outreach efforts that will ultimately save lives.

Additionally, the increase in cigarette taxes serves the dual purpose of discouraging smoking, particularly among youth and other vulnerable populations. Higher cigarette taxes have been proven to reduce smoking rates, leading to better long-term health outcomes for individuals and decreased healthcare costs for the state. By passing this bill, Hawaii will continue to build on its progress in reducing tobacco use while simultaneously strengthening its investment in cancer research and public health initiatives.

HB441 HD2 recognizes the ongoing necessity of robust funding for cancer research and healthcare services, ensuring that Hawaii remains a leader in cancer prevention and treatment. I urge the committee to pass this bill and help secure a healthier future for our communities.

Thank you for your time and consideration.

Sincerely,

John Shepherd PhD

Honolulu Hawaii

Email: jshepherd46@gmail.com

March 17, 2025

**HB 441 HD 2
RELATING TO CIGARETTE TAXES**

Dear Chair Kim, Chair San Buenaventura, Vice Chairs Aquino and Kidani, and Committee members,

My name is Thaddeus Herzog. I am an Associate Researcher at the University of Hawai'i Cancer Center. My testimony is submitted as an individual and not as a representative of the University of Hawai'i or the UH Cancer Center.

My testimony is **in support of HB 441 HD 2.**

The UH Cancer Center is one of only 72 institutions in the U.S. that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides greater access to federal funding and research opportunities for UH and the people of Hawai'i. More importantly, it gives the people of Hawai'i and the Pacific region access to innovative and potentially life-saving clinical trials without the necessity of traveling to the continent.

Our passion at the UH Cancer Center is to be a world leader in eliminating cancer through research, education and improved patient care. Because tobacco consumption is a leading preventable cause of cancer, we take all issues related to tobacco in Hawai'i very seriously. Increasing the cigarette tax and allocating the increase to the Hawaii Cancer Research Special Fund would provide needed and appreciated support to the UH Cancer center as we strive to eliminate cancer in Hawaii.

Thanks very much for considering my testimony.

Thaddeus Herzog

House Bill 441 HD 2

Dear Esteemed Members of the Health and Human Services Committee and the Higher Education Committee:

My name is Elizabeth Kuioka. I am an Administrative Officer at the University of Hawai'i Cancer Center. My testimony is submitted as an individual and not as a representative of the University of Hawai'i or the UH Cancer Center.

I am writing to voice my strong **SUPPORT** of the proposed bill **HB 441 HD2** to increase the cigarette tax and allocate the increase directly to the Hawai'i Cancer Research Special Fund.

Hawai'i Cancer Statistics:

- Annually, an average of **7,393 Hawai'i residents are diagnosed with invasive cancer, and 2,393 individuals die** from cancer.
- There are over **66,779 Hawai'i residents who are cancer survivors**.
- **Breast cancer** remains the most frequently diagnosed cancer among women.
- **Prostate cancer** is the most common cancer among men.
- **Lung cancer** continues to be the leading cause of cancer death in the state. Among females, Native Hawaiians had among the highest lung cancer incidence and mortality rates.
- **Thyroid cancer** incidence is highest in Filipino women.

Cancer research is critical in the fight against the **second leading cause of death in our state**, and every additional dollar allocated to this cause can make a real difference. By supporting this bill, we are taking a vital step in improving public health, reducing healthcare costs, and helping to eradicate cancer in Hawai'i.

We reside on a small island in the heart of the Pacific Ocean, where the University of Hawaii Cancer Center stands as the only source of hope for those diagnosed with cancer. Unfortunately, not everyone has the financial means to seek treatment on the mainland.

For these reasons, I urge you to pass this important bill to increase the cigarette tax and direct the funds toward cancer research. Together, we can create a healthier, cancer-free future for the people of Hawai'i.

Aloha,
Elizabeth Kuioka

HB-441-HD-2

Submitted on: 3/18/2025 9:59:07 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cherry Parubrub	Individual	Support	Written Testimony Only

Comments:

I am in support of HB441 HD2

HB-441-HD-2

Submitted on: 3/18/2025 10:47:05 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gail Ichida	Individual	Support	Written Testimony Only

Comments:

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

Thank you for the opportunity to present my testimony. I **strongly support** HB 441, HD2 to raise the cigarette tax and allocate the increase to the Hawai`i Cancer Research Special Fund.

Smoking's impact is devastating. My family member suffered from emphysema due to heavy smoking, severely impacting his life. Inhaling medicines via a nebulizer every few hours; inability to breathe; constant coughing day and night... It was heartbreaking. We lost the ability to enjoy shared activities, and witnessing his constant suffering was devastating. I support raising cigarette taxes to prevent others from experiencing similar suffering.

I am also one of the "too many" who are directly affected by cancer. I support cancer research to reduce this statistic!

Respectfully submitted.

I strongly support passage of HB441, HD2, relating to Cigarette Taxes.

As a cancer research advocate, and one who has lost her husband, two very good friends, and countless colleagues in Hawaii to cancer, I know the importance of cancer research. And I know the importance of having advances in cancer care, through clinical trials, available here in Hawaii, so that our residents don't have to travel away from home to participate in these trials.

Support for the UH Cancer Center (UHCC) is crucial in advancing clinical trials here in Hawaii. But crucial financial support for UHCC has been declining significantly over the years, due to declining cigarette tax revenues. With \$.02 of the tax on every cigarette sold designated to the Hawaii Cancer Research Special Fund – and with the declining rates of tobacco use in Hawaii – the amount of this funding to UHCC is approximately half of what it was in 2009. Declines in tobacco purchase and use speak to the success of Hawaii's strong anti-tobacco policy and social marketing efforts; with the unintended consequences of reducing funding to UHCC.

HB441, HD2, would raise the rate per cigarette sold from \$.16 to \$.18, with the incremental \$.02 increase allocated to UHCC. This increase to UHCC, from \$.02 to \$.04, will help stabilize funding to the NCI-designated Center and will support the continued advances in clinical cancer care needed in Hawaii.

Mahalo nui for your consideration,

A handwritten signature in black ink, appearing to read "Becki Ward", with a long horizontal flourish extending to the right.

Rebecca "Becki" Ward

HB-441-HD-2

Submitted on: 3/18/2025 11:46:15 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Karen Kalanta	Individual	Support	Written Testimony Only

Comments:

My name is Karen Kalanta. I am a Masters-prepared RN who has been a direct-patient care giver to former smokers being treated for lung cancer in hospital settings, as well as supporting 'end of life care' for these patients in a home hospice setting.

Lung cancer is a devastating disease. Tobacco use is the #1 preventable cause of cancer. Therefore, I am in STRONG Support of HB44 HD1. Please consider raising the cigarette tax by \$1.00 per pack which supports the UH Cancer Center while improving the health of our state and reduce tobacco use.

Respectfully Yours,

Karen Kalanta

HB-441-HD-2

Submitted on: 3/18/2025 11:58:58 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tripit Reevesman	Individual	Support	Written Testimony Only

Comments:

I am in STRONG SUPPORT of HB441 HD1. Please consider raising the cigarette tax by \$1.00 per pack which supports the UH Cancer Center while improving the health of our state and reduce tobacco use.

It is now more important than ever that we support our institutions that work to better the lives of our citizens for the greater good. Federal funds are uncertain and all other support is more important than ever.

Jangsoon Lee, PhD
Associate Professor
University of Hawaii Cancer Center
Home address: 1617 Kapiolani Blvd. APT 406
Honolulu, HI 96814
Famousmb72@gmail.com
808-237-3925

03/18/2025

Representative Kyle T. Yamashita, Chair
Committee on Finance
Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: Support for Hawaii House Bill 441 HD2

Aloha Members of the Committees:

I am writing to express my strong and unequivocal support, as an individual citizen and dedicated cancer researcher, for Hawaii House Bill 441 HD2, which proposes an increase in the cigarette tax beginning July 1, 2025. I moved to Hawaii from Texas specifically to contribute my innovative cancer research to support and enhance healthcare in the state.

Increasing the cigarette tax is a proven strategy to reduce tobacco usage, which remains one of the most significant preventable causes of cancers, including head and neck cancer, lung cancer, and many other malignancies. The funds generated through HB441 HD2 would directly enhance critical areas such as cancer research, patient education, early detection programs, and support services, significantly improving survival rates and the quality of life for patients and their families.

From my perspective as a cancer researcher, HB441 HD2 represents a critical opportunity to invest in advanced cancer prevention methods, foster the development of innovative therapies, and improve patient outcomes. This legislative action not only aligns with our shared goals of public health improvement but also positions Hawaii as a leader in healthcare innovation and disease prevention. I strongly encourage your committee to support HB441 HD2, recognizing its profound impact on enhancing the lives of individuals affected by cancer throughout our community.

Thank you very much for your consideration.
Mahalo nui loa,

Jangsoon Lee.

Testimony of

Prof. Stephen Kam Ng

Before the **Hawai‘i State Legislature**
on HB441 HD2

SUPPORT

March 18, 2025

My name is Prof. Stephen Ng, and I am an MD/DrPH who formerly worked for Columbia University. I am testifying today as an individual regarding HB441 HD2, the proposed bill to increase the cigarette tax, which I strongly support.

I have witnessed firsthand the adverse effects of tobacco use on our community. At Columbia University and the American Health Foundation I have seen many patients whose lives have been dramatically impacted by smoking-related illnesses. In my research on cancer epidemiology I found tobacco related to a host of cancers besides lung cancer. The ongoing struggle reinforces my commitment to initiatives that can reduce smoking rates and prevent further suffering.

I felt compelled to testify because I believe that every step we take toward reducing tobacco consumption is a step toward saving lives. Increasing the cigarette tax represents a practical policy intervention that not only discourages smoking but also generates critical revenue to support cancer research, prevention, and treatment efforts—resources that are vital for the well-being of our community.

I urge the Council to pass HB441 HD2 without delay. Strengthening tobacco control through increased taxation is an effective measure to reduce the prevalence of smoking and its devastating health consequences. Allocating the additional revenue to enhance our cancer care and prevention programs will help ensure that future generations are spared the burden of tobacco-related diseases.

Thank you for your time and thoughtful consideration of my testimony. I appreciate your commitment to the health and safety of our community.

Sincerely,

Prof. Stephen Kam Ng

LATE

HB-441-HD-2

Submitted on: 3/19/2025 8:40:36 AM

Testimony for HHS on 3/19/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tina Wildberger	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs, Vice Chairs & Committee Members.

Thank you for your attention to this measure. Increasing taxes to discourage tobacco use is a good tool in the fight to curb smoking and vaping habits established in young users. In strong support, mahalo.