

STAND. COM. REP. NO.

442

Honolulu, Hawaii

**FEB 12** , 2025

RE: H.B. No. 1370

H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Economic Development & Technology, to which was referred H.B. No. 1370 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to amend the definition of draft beer to mean beer in an individual container of five gallons or more.

Your Committee received testimony in support of this measure from Lanikai Brewing Co.; Hana Koa Brewing Co.; Kauai Beer Company; Napali Brewing Company; Brewers Association; and Maui Brewing Co. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that beer that qualifies as draft beer, which is currently defined as beer in an individual container of seven gallons or more, is subject to a lower liquor tax rate. Your Committee further finds that this definition does not align with industry practices, as most retailers, restaurants, and bars dispense draft beer from kegs smaller than seven gallons. This measure addresses this issue by amending the definition of draft beer to mean beer in an individual container of five gallons or more.

2025-1693 HB1370 HD1 HSCR HMSO

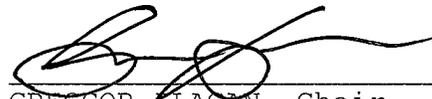


Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1370, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1370, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Technology,



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GREGGOR ILAGAN, Chair



