

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

To: The Honorable Angus L.K. McKelvey, Chair
and Members of the House Committee on Consumer Protection & Commerce

Date: Monday, March 23, 2015
Time: 2:45 P.M.
Place: Conference Room 325, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: S.B. 1032, S.D. 2, Relating to Chapter 245, Hawaii Revised Statutes

The Department of Taxation (Department) provides the following comments on S.B. 1032, S.D. 2 for your consideration, and defers to the Department of Health regarding the merits of this measure.

S.B. 1032, S.D. 2 amends the Cigarette Tax and Tobacco Tax Law by taxing non-tobacco nicotine-containing products at a rate of 70% of the wholesale price of such items. This measure also changes the yearly tobacco wholesaler or producer license fee by an unspecified amount, and changes the yearly retail tobacco permit by an unspecified amount per retail location. S.D.2 has a defective effective date of July 1, 2053.

The previous committees adopted all of the Department's suggested amendments to the previous version of this bill. The Department appreciates consideration of its suggested amendments and notes that it will be able to make the necessary form and instruction changes by January 1, 2016.

Thank you for the opportunity to provide comments.



**Testimony in SUPPORT of SB 1032, SD2,
“Relating to Chapter 245, Hawaii Revised Statutes”**

The permitting, and threat of loss of a permit to sell tobacco, can be an effective deterrent to those who would illegally sell tobacco products to a minor. It is one part of a scientifically-based, comprehensive effort that has been proven to help reach the goal of reducing youth access to tobacco. It also provides the Attorney General’s office with an important tool to identify locations selling tobacco to insure that those retailers pay the appropriate taxes on their sales.

In recent years, there has been an upward trend among Hawaii teens to use electronic smoking devices, with the number of teens using those products tripling in just the last several years. This trend has occurred despite state legislation restricting the sale of those devices to minors. Clearly there is a need for better enforcement of that law. SB 1032, SD2 would help Hawaii’s law enforcement officers to identify those selling electronic smoking devices both legally and illegally, and help to keep those products out of the hands of minors. The American Heart Association also believes that electronic smoking devices should be defined and regulated as tobacco products.

Tobacco use remains the leading cause of preventable death in the United States, killing more than 400,000 people each year. It is known to cause heart disease, stroke, cancer, and respiratory diseases, among other health disorders, and costs the U.S. \$96 billion in health care expenditures each year. Nearly 1,000 kids under the age of 18 become regular, daily smokers each day; and almost one-third will die from it. Most smokers begin their nicotine addiction as a teen or youth.

The American Heart Association feels that making the requirement to obtain a permit to sell all tobacco-related products, as proposed by SB 1032, SD2, would provide a strong deterrent to those who might purposely, or accidentally, sell tobacco products to minors. It would encourage retailers to be more vigilant in insuring that their sales staff is trained in checking for appropriate age identification when selling tobacco products.

In addition, Hawaii’s current tobacco retailer licensing fee is among the lowest in the country and should be increased to reflect the harm caused by the products being licensed for sale. The American Heart Association recommends that increased revenue resulting from such an increase in licensing should be earmarked for programs designed to support tobacco prevention, control and cessation.

Thank you for this opportunity to provide testimony in SUPPORT of SB 1032, SD2.

Respectfully submitted,

Donald B. Weisman
Hawaii Government Relations Director

*“Building healthier lives,
free of cardiovascular
diseases and stroke.”*

life is why™ es por la vida™ 全为生命™

Please remember the American Heart Association in your will.





American Cancer Society
Cancer Action Network
2370 Nu`uanu Avenue
Honolulu, Hawai`i 96817
808.432.9149
www.acscan.org

House Committee on Consumer Protection and Commerce
Representative Angus McKelvey, Chair
Representative Justin Woodson, Vice Chair

SB 1032, SD2 – RELATING TO CHAPTER 245, HAWAII REVISED STATUTES

Cory Chun, Government Relations Director – Hawaii Pacific
American Cancer Society Cancer Action Network

Thank you for the opportunity to provide testimony in support of SB 1032, SD2, which increases the fees for tobacco wholesalers and retailers in the State.

The American Cancer Society Cancer Action Network (ACS CAN) is the nation's leading cancer advocacy organization. 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.

The current fee is \$2.50 for a tobacco wholesaler or distributor and \$20 for tobacco retailers, which are low considering the products that are being sold and distributed. Considering that nature of the products sold, the current fees do not accurately reflect the danger that these products pose to individuals from the sale of these products.

To put these fee increases into perspective, the statutory fees for the sale of fireworks in the State are significantly higher. Section 132D-11, Hawaii Revised Statutes, lists the license fees as \$3,000 for importers, \$2,000 for each wholesaler's site, \$1,000 for each storage site, and \$500 for each retailer's site. In comparison to these fees, the increases proposed by this measure are significantly lower than fees paid for the privilege to sell fireworks. We feel that the increase in fees for tobacco wholesalers and retailers are reasonable when compared to other license fees for hazardous consumer products sold in our State.

Thank you for the opportunity to submit testimony on this matter.



To: The Honorable Angus L.K. McKelvey, Chair
The Honorable Justin H. Woodson, Vice Chair
Members, House Committee on Consumer Protection and Commerce

From: Lyndsey Garcia, Policy & Advocacy Director

Date: March 21, 2015

Hrg: House Committee on Consumer Protection and Commerce; Monday, March 23, 2015 at 2:45PM in Rm 325

Re: **Strong Support and Recommendations for SB 1032, SD2, Relating to Chapter 245, Hawai'i Revised Statutes**

Thank you for the opportunity to offer testimony in **strong support** of Senate Bill 1032, SD2, and recommends that the license fee for a person engaged as a wholesaler or dealer of cigarettes or tobacco products be increased to \$250.00 and the permit fee for retailers engaged in the retail sale of cigarettes and other tobacco products be increased to \$50.

The Coalition for a Tobacco Free Hawai'i (Coalition) is a program of the Hawai'i Public Health Institute working to reduce tobacco use through education, policy and advocacy. Our program consists of over 100 member organizations and 2,000 advocates that work to create a healthy Hawai'i through comprehensive tobacco prevention and control efforts.

The Coalition supports increasing the wholesaler and dealer license fee to \$250.00.

After state by state research on license fees for wholesalers, dealers, and distributors, the Coalition finds that of all the states that charge a wholesale and dealer license fee, Hawai'i has the lowest wholesaler and dealer license fee in the nation at \$2.50.

Nationally, the amounts range from no fee to \$1,500.00 per year. Of the 38 states that have fees, Hawai'i has the lowest fee. 14 states charge \$200.00 per year or more and nine states charge between \$500.00 per year and \$1,500.00 per year. Hawai'i is the only state that charges a wholesaler less than a retailer. Comparatively, the City and County of Honolulu Liquor Commission charges \$2,640.00 annually for a Wholesale General Standard liquor license.

The Coalition supports increasing the retail tobacco permit fee to \$50.00.

After state by state research on permit fees for retailers, the Coalition finds that of all the states that charge a retail tobacco permit fee, Hawai'i currently has one of the lowest retailer permit fees in the nation at \$20.00.

Nationally, the amounts range from no fee to \$1,000.00 per year. Of the 32 states that charge a retailer permit fee, 15 states charge more than \$20.00 per year but less than \$100.00 per year, with about half of those states charging \$50.00 per year or more. The average amount charged is \$83.75 per year. Comparatively, the City and County of Honolulu Liquor Commission charges \$1,200.00 annually for a Retail General Standard liquor license.



The Coalition supports expanding the definition of tobacco products.

This measure will also expand the definition of tobacco products to include “any product containing nicotine, but not containing tobacco, that is intended for human consumption, whether chewed, smoked, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, that has not been approved by the United States Food and Drug Administration for tobacco cessation or other medical purposes.” The expanded definition will require wholesalers and dealers as well as retailers of other nicotine delivery devices such as electronic smoking devices (ESDs) to apply for licenses and permits respectively. This requirement is important for officials to be able to track wholesalers and dealers as well as retailers of these products and to be able to properly inform them whenever there are changes in laws that pertain to these products.

The Coalition strongly supports SB 1032, SD2 and respectfully asks you to pass this measure with amendments.

Thank you for the opportunity to testify on this matter.

Respectfully,

A handwritten signature in black ink that reads "Lyndsey Garcia". The signature is written in a cursive, flowing style.

Lyndsey Garcia
Policy and Advocacy Director



Executive Officers:
John Schilf, RSM Hawaii - Chairperson
Derek Kurisu, KTA Superstores - Vice Chair
Lisa DeCoito, Aloha Petroleum - Treasurer
John Erickson, Frito-Lay - Secretary
Lauren Zirbel, Executive Director

1050 Bishop St. PMB 235
Honolulu, HI 96813
Fax : 808-791-0702
Telephone : 808-533-1292

TO:
COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Representative Angus L.K. McKelvey, Chair
Representative Justin H. Woodson, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: March 23, 2015
TIME: 2:45pm
PLACE: Conference Room 325

RE: SB1032 SD2

Position: Oppose

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

While we appreciate that the removal of one problematic part of this bill it still has a number of issues that make it unsuitable for passage.

First of all, the fact that electronic smoking devices look similar to cigarettes and can also contain nicotine is not sufficient reason to change the regulatory definition of "tobacco products" and add additional fees and taxes to these products. Electronic smoking devices do not contain tobacco and are not tobacco products. Smoking cessation products, which also contain nicotine, are not subject to the same regulations and taxes as cigarettes. This suggests that the primary reason for including electronic smoking devices in the definition of "tobacco products" is that they physically resemble cigarettes. The physical resemblance of one product to another is not a sufficient reason to impose a costly and burdensome regulatory and tax structure, which will negatively impact wholesalers, retailers, and consumers.

Secondly, Hawaii has the second highest tobacco taxes of any state. By attempting to increase the fees as well this bill unfairly targets retailers and wholesalers, rather than focusing efforts on tobacco users.

Finally, retailer license fees exist to pay for the licensing process and enforcement, not as a tool for public health. The existing fees should be sufficient to cover their intended purposes and attempts to increase them to support other goals sets a bad precedent.

For these reasons we ask that you defer this measure indefinitely. Thank you for the opportunity to testify.

hawaiiCigar

ASSOCIATION

To: The Honorable Angus L.K. McKelvey, Chair
and Members of the House Committee on Consumer Protection & Commerce

Date: Monday, March 23, 2015
Time: 2:45 p.m.
Place: Conference Room 325, State Capitol

From: Les Drent
for the Hawaii Cigar Association

Re: SB1032 SD2, Relating To Chapter 245, Hawaii Revised Statutes

Dear Representative McKelvey, Chair and Members of the House Committee on Consumer Protection & Commerce,

The Hawaii Cigar Association (HCA) respectfully **OPPOSES** this measure for the following reasons:

1. The unreasonable and enormous increase of the tobacco wholesalers license, and the increase of the retail tobacco permit will unnecessarily harm small businesses in Hawaii. The vast majority of licensed tobacco wholesalers, and retailers currently abide by the rules and regulations under chapter 245, Hawaii Revised Statutes.
2. The increased fees will not further the enforcement of the law in regards to cigars, since the majority of these tobacco products are obtained by Hawaii residents through mail order from unlicensed entities outside of the state. A simple solution to ensure tobacco regulation, and the collection of tax revenue would be to enact a tax cap on large cigars, and create parity in the tax code. Unless Hawaii cigar retailers are able to compete with foreign businesses, any increase in licensing fees makes little sense. Under this proposal the sale of cigars from unlicensed sources would increase, and tax revenue would decrease.

Respectfully submitted,



Les Drent
for the Hawaii Cigar Association

For More Information on the Hawaii Cigar Association please visit
hawaiicigarassociation.org



To: The Honorable Angus L.K. McKelvey, Chair
and Members of the House Committee on Consumer Protection & Commerce

Date: Monday, March 23, 2015
Time: 2:45 p.m.
Place: Conference Room 325, State Capitol

From: Les Drent
for the Kauai Cigar Company

Re: SB1032 SD2, Relating To Chapter 245, Hawaii Revised Statutes

Dear Representative McKelvey, Chair and Members of the House Committee on Consumer Protection & Commerce,

The Kauai Cigar Company, its 23 Hawaii based employees, and industry partners **OPPOSE** this measure.

Without any limit or cap on cigar taxes, our company already pays more taxes per cigar than any other manufacturer selling its products within the state. To increase the licensing fees for businesses that sell our products would be damaging to our company. The vast majority of Hawaii cigar aficionados already purchase their cigars from foreign unlicensed businesses. These added license fees would only encourage more customers to purchase their cigars through mail order, and online sources.

Without parity in the tax code, any increase in fees, or taxes makes little sense.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Les Drent".

Les Drent
Farmer/President

woodson2-Rachel

From: Alexis Haban <alexis_haban@yahoo.com>
Sent: Sunday, March 22, 2015 7:58 AM
To: CPCtestimony
Subject: Oppose SB1032

To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: CPC, Monday, March 23, 2015 2:45 PM

I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and ultimately emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. E-cigarettes are proven to be a low-risk replacement for smoking tobacco that has the potential to save tens of thousands of lives in Hawaii alone.

In addition to the increased fees, the 70% tobacco tax will devastate the local e-cigarette and vapor product industry. It will put local businesses at a huge disadvantage compared to other states, which will ruin local companies, kill local jobs, send local money out of state, and bring less money into the state.

Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

Alexis Haban
Lanai City, HI

woodson2-Rachel

From: Alika Spahn Naihe <vishus808@hawaii.rr.com>
Sent: Sunday, March 22, 2015 12:29 PM
To: CPCtestimony
Subject: Oppose SB1032

To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

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Thank you for your time and consideration.

Alika Spahn Naihe
Kalihi, Honolulu, HI

From: Alika Christian <alikhchristian@gmail.com>
Sent: Sunday, March 22, 2015 12:14 PM
To: CPCtestimony
Subject: Oppose SB1032

To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: CPC, Monday, March 23, 2015 2:45 PM

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Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

I truly believe that e-cigarettes have saved my life, please give others the opportunity to do the same.

Thank you for your time and consideration.

Alika Christian

woodson2-Rachel

From: jamin spencer <fortoday96743@yahoo.com>
Sent: Sunday, March 22, 2015 12:15 PM
To: CPCtestimony
Subject: Oppose SB1032

To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: CPC, Monday, March 23, 2015 2:45 PM

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Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

jamin spencer
Big Island Hawaii

woodson2-Rachel

From: Johnathan Benicta <jbenicta@yahoo.com>
Sent: Sunday, March 22, 2015 8:24 AM
To: CPCtestimony
Subject: Oppose SB1032

To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: CPC, Monday, March 23, 2015 2:45 PM

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Thank you for your time and consideration.

Johnathan Benicta
Mililani, HI

woodson2-Rachel

From: Juline Kerr <info@vapetasm.com>
Sent: Sunday, March 22, 2015 1:59 PM
To: CPCtestimony
Subject: Oppose SB1032

To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: CPC, Monday, March 23, 2015 2:45 PM

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Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

Juline Kerr
Hana, HI

From: Kurt Okimoto <redhotwheels@hotmail.com>
Sent: Sunday, March 22, 2015 5:54 AM
To: CPCtestimony
Subject: Oppose SB1032

To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: CPC, Monday, March 23, 2015 2:45 PM

I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and ultimately emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. This will have dire unintended consequences on public health and will threaten to decimate the vapor industry in Hawaii.

I quit smoking and started vaping a year ago, ending an unhealthy habit that spanned a period of over two decades. It saved my life. I am now completely tobacco-free. I implore you to not classify vapor products as tobacco products. By putting them in the same category, you jeopardize the health of the residents of Hawai'i. Please do the right thing.

Thank you for your time and consideration.

Kurt Okimoto

woodson2-Rachel

From: Lance Watanabe <lance.watanabe@gmail.com>
Sent: Sunday, March 22, 2015 7:32 AM
To: CPCtestimony
Subject: Oppose SB1032

To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: CPC, Monday, March 23, 2015 2:45 PM

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Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

Lance Watanabe
United States

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 22, 2015 10:44 AM
To: CPCtestimony
Cc: babyjean@hotmail.com
Subject: Submitted testimony for SB1032 on Mar 23, 2015 14:45PM

SB1032

Submitted on: 3/22/2015

Testimony for CPC on Mar 23, 2015 14:45PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Ronnie Perry	Individual	Oppose	No

Comments: I do not support this bill. We need alternatives to traditional cigarettes and until cigarettes are illegal, people will continue to smoke. Traditional smoking has many problems that Vaping does not. For example, the horrible smell, the ash, the odor that stays on your clothing and hair and one of the biggest sources of litter: Cigarette butts. These all effect those other than the smoker. I support vaping because it is a better alternative to regular cigarettes and on a personal note, it has help me to kick the cigarette habit which I then only smoked e-cigarettes for awhile, then I quit e-cigarettes. Traditional cigarettes made me extremely ill, but the e-cigarette made me much less sick and I could breathe better. Cigarettes are an addiction and therefore, people are going to seek cigarettes no matter how many laws we make. Therefore, I feel that an alternative that eliminates most of the horrible things that are involved with traditional cigarettes is in order. Please do not try to kill this alternative; we need it. Mahalo, Ronnie Perry

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

woodson2-Rachel

From: Shane Manji <hookipabound@gmail.com>
Sent: Sunday, March 22, 2015 12:53 PM
To: CPCtestimony
Subject: Oppose SB1032

To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

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Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

Shane Manji
Kula, HI

From: Steven Querry <stevequerry@gmail.com>
Sent: Sunday, March 22, 2015 9:46 AM
To: CPCtestimony
Subject: Oppose SB1032

To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: CPC, Monday, March 23, 2015 2:45 PM

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Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

VAPING has given me and my family life! Without it I would have went back to cigarettes. It's has been since 15 April 2012 since I had my last smoke. I feel amazing and honestly can say it's because of VAPING.

Thank you for your time and consideration.

Steven Querry
Kapolei, HI

woodson2-Rachel

From: Wanda Isnec <wandaisnec@gmail.com>
Sent: Sunday, March 22, 2015 9:03 AM
To: CPCtestimony
Subject: Oppose SB1032

To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

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Thank you for your time and consideration.

Wanda Isnec
Waihiawa

woodson2-Rachel

From: Michael Javier <hjavier1@hawaii.rr.com>
Sent: Monday, March 23, 2015 7:40 AM
To: CPCtestimony
Subject: Oppose SB1032

To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

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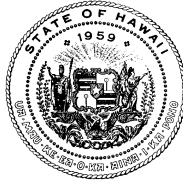
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Thank you for your time and consideration.

Michael Javier
Kahului, Hawaii



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

LATE

**Testimony in SUPPORT of SB1032, SD2
RELATING TO CHAPTER 245, HAWAII REVISED STATUTES**

REPRESENTATIVE ANGUS L.K. McKELVEY, CHAIR
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Hearing Date: March 23, 2015 Room Number: 325

1 **Fiscal Implications:** The Department of Health (DOH) defers to the Department of Taxation
2 (DoTAX) on the fiscal implications.

3 **Department Testimony:** Tobacco licensing is an effective public health tool for limiting the
4 negative health consequences of tobacco use by ensuring that wholesalers and retailers comply
5 with responsible sales practices. The DOH would therefore support a significant increase in the
6 tobacco licensing and permitting fees. The current fees have remained unchanged since 1995
7 despite high tobacco taxes and ever increasing tobacco industry expenditures in marketing and
8 advertising. In fiscal year, 2013-2014, only \$530 was collected for Tobacco License Fees and
9 \$31,655 was collected for Retail Permits.¹ These amounts compare dismally to the
10 \$121,710,300 collected by the State in taxes for all forms of tobacco products and the estimated
11 \$26.9 million spent by the tobacco industry for Hawaii marketing each year.²

12 The current license fee for tobacco wholesalers and retailers in Hawaii is \$2.50. An
13 analysis of tobacco sales license requirements across the United States reveals a very broad range
14 of fees for different statutory purposes. The amounts vary from no fee at all to \$1,500.00/year.
15 Of the 40 states that do have fees, 26 states charge \$100.00/year or more and 14 states charge
16 \$200.00/year or more. Nine states charge between \$500.00/year and \$1,500.00/year. Hawaii is
17 only one of two states that charge a wholesaler less than a retailer.

18 The retail tobacco permit was instituted in 2006 and DoTAX is the issuer of the annual

¹ State of Hawaii Department of Taxation: Tax Research & Planning, Fiscal Year Summary 07/31/2014

² U.S. Federal Trade Commission (FTC), Federal Trade Commission (FTC). *Cigarette Report for 2011, 2013*

1 \$20.00 fee. The purpose of the fee is to cover administrative costs. Nationally, the amounts vary
2 from no fee to \$1,000.00/year. Of the 32 states that have retailer fees, 15 states charge more than
3 \$20.00/year but less than \$100.00/year, with about half (8 out of 15) of those states charging
4 \$50.00/year or more.

5

6 Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 22, 2015 7:01 PM
To: CPCtestimony
Cc: devin@pcgamerzhawaii.com
Subject: Submitted testimony for SB1032 on Mar 23, 2015 14:45PM



SB1032

Submitted on: 3/22/2015

Testimony for CPC on Mar 23, 2015 14:45PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Devin Wolery	PC Gamerz	Oppose	Yes

Comments: To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee Re: Opposition to SB1032 Hearing: CPC, Monday, March 23, 2015 2:45 PM I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and ultimately emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. Ecigarettes are proven to be a low-risk replacement for smoking tobacco that has the potential to save tens of thousands of lives in Hawaii alone. In addition to the increased fees, the 70% tobacco tax will devastate the local e-cigarette and vapor product industry. It will put local businesses at a huge disadvantage compared to other states, which will ruin local companies, kill local jobs, send local money out of state, and bring less money into the state. Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: David Yoshida <dyoshida@hhs-i.com>
Sent: Sunday, March 22, 2015 7:42 PM
To: CPCtestimony
Subject: Oppose SB1032



To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: CPC, Monday, March 23, 2015 2:45 PM

I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and ultimately emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. Ecigarettes are proven to be a low-risk replacement for smoking tobacco that has the potential to save tens of thousands of lives in Hawaii alone.

In addition to the increased fees, the 70% tobacco tax will devastate the local e-cigarette and vapor product industry. It will put local businesses at a huge disadvantage compared to other states, which will ruin local companies, kill local jobs, send local money out of state, and bring less money into the state.

Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Please don't be swayed by the propaganda brought by the media and their so called "experts" in the articles. We are living proof that vaping is safer, healthier and can also generate regular taxes in our cash strapped local economy. However, taxing this budding industry like Big Tobacco would be detrimental to any plans you may think will happen. It will go underground, thrive, and be tax free. With the anti smoking mentality currently going across the country, taxing it to death would seem the most likely end result. Be different than the moral majority. You would benefit greatly if you allowed it to be run like any other regular retail business, as opposed to sin taxing it to death.

Thank you for your time and consideration.

David Yoshida
Honolulu

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 23, 2015 12:03 AM
To: CPCtestimony
Cc: justin@pcgamerzhawaii.com
Subject: Submitted testimony for SB1032 on Mar 23, 2015 14:45PM



SB1032

Submitted on: 3/23/2015

Testimony for CPC on Mar 23, 2015 14:45PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Justin Wolery	Individual	Oppose	No

Comments: I Oppose SB1032 due to the inclusion of "products containing nicotine but not tobacco" as this would unfairly include Electronic Vapor Devices. Please do not pass this bill in its current form and exclude any tax increases Electronic Vapor devices as these devices are generally used as a reduced risk alternative for smokers and un-necessary price increases will only prevent more people from quitting smoking by switching to electric vapor devices by making these already expensive alternatives cost prohibitive.

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From: Shanice S. <shaniceshaka@gmail.com>
Sent: Sunday, March 22, 2015 4:42 PM
To: CPCtestimony
Subject: Oppose SB1032



To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: CPC, Monday, March 23, 2015 2:45 PM

I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and ultimately emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. E-cigarettes are proven to be a low-risk replacement for smoking tobacco that has the potential to save tens of thousands of lives in Hawaii alone.

In addition to the increased fees, the 70% tobacco tax will devastate the local e-cigarette and vapor product industry. It will put local businesses at a huge disadvantage compared to other states, which will ruin local companies, kill local jobs, send local money out of state, and bring less money into the state.

Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

The study shown below proves that tobacco is NOT the same as e-cigarettes/vaping:

<http://www.churnmag.com/news/scientists-shocked-after-testing-ecig-vapor-in-the-lab/>

E-cigarettes are a much healthier alternative than analog cigarettes. It will continue to help regular smokers to become less likely to smoke or smokeless and more into less harmful vapers if it is allowed to grow. If this bill goes through, it will only do the opposite of what both parties want as an end result which is having less smokers.

Thank you for your time and consideration.

Shanice S.
Kaneohe, HI

From: Tolone Thairathom <tony@dajucehawaii.com>
Sent: Sunday, March 22, 2015 10:52 PM
To: CPCtestimony
Subject: Oppose SB1032



To: Rep. Angus L.K. McKelvey, Chair, Rep. Justin H. Woodson, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: CPC, Monday, March 23, 2015 2:45 PM

I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and ultimately emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. Ecigarettes are proven to be a low-risk replacement for smoking tobacco that has the potential to save tens of thousands of lives in Hawaii alone.

In addition to the increased fees, the 70% tobacco tax will devastate the local e-cigarette and vapor product industry. It will put local businesses at a huge disadvantage compared to other states, which will ruin local companies, kill local jobs, send local money out of state, and bring less money into the state.

Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

Tolone Thairathom
honolulu, hi