

STAND. COM. REP. NO.

760

Honolulu, Hawaii

MAR 06 2009

RE: S.B. No. 528  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 528, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TOBACCO,"

begs leave to report as follows:

The purpose of this measure is to make permanent the requirement that businesses engaged in the sale of cigarettes and other tobacco products at the retail level acquire a retail tobacco permit from the Department of Taxation to do so.

Your Committee received six written comments. Copies of written comments submitted to the Committee are available for review on the Legislature's website.

This measure deletes the language in Act 131, Session Laws of Hawaii 2005, that would repeal the requirement for an entity engaged in the retail sale of cigarettes or other tobacco products to obtain a retail tobacco permit, effective July 1, 2009, thus making the requirement permanent. Your Committee finds that retail tobacco permits facilitate the enforcement of the cigarette tax and tobacco tax law by providing a known and measurable list of entities engaged in the retail sale of cigarettes and other tobacco products. More than 1,500 entities in Hawaii, all engaged in the retail sale of cigarettes and other tobacco products, have applied for and received a retail tobacco permit.

Your Committee also finds that, in testimony submitted to the Legislature in 2009, the Department of Taxation projected that

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reduced enforcement efforts in the monitoring of tobacco retailers could result in a revenue loss of approximately \$5,300,000 per year. Your Committee believes that permanently establishing the requirement to obtain a retail tobacco permit will allow the Department to maintain an effective level of tax revenue collection.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 528, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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DONNA MERCADO KIM, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:
<i>SB 528 SDI</i>	<i>HTH, WAM</i>	<i>02/26/09</i>
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
KIM, Donna Mercado (C)	✓	
TSUTSUI, Shan S. (VC)		✓
CHUN OAKLAND, Suzanne	✓	
ENGLISH, J. Kalani	✓	
FUKUNAGA, Carol	✓	
GALUTERIA, Brickwood	✓	
HEE, Clayton		✓
HOOSER, Gary L.	✓	
KIDANI, Michelle N.	✓	
KOKUBUN, Russell S.	✓	
TOKUDA, Jill N.	✓	
HEMMINGS, Fred	✓	
<b>TOTAL</b>	<i>10</i>	<i>2</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: 		
Distribution:             Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy		

\*Only one measure per Record of Votes