STAND. COM. REP. NO. 682

Honolulu, Hawaii

Morch 4 , 2011

RE: H.B. No. 273

H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 273 entitled:

"A BILL FOR AN ACT RELATING TO TOBACCO PRODUCTS,"

begs leave to report as follows:

The purpose of this bill is to amend the tax on tobacco products, other than large cigars, sold by a wholesaler or dealer on or after July 1, 2011, to equal \$3.20 for each tobacco product article or item sold.

The American Lung Association in Hawaii, American Cancer Society Hawaii Pacific Inc., Hawaii COPD Coalition, Healthy Mothers Healthy Babies, and Coalition for a Tobacco-Free Hawai'i testified in support of the bill. The Department of Taxation, the Tax Foundation of Hawaii, University of Hawai'i Cancer Center, and the American Heart Association submitted comments.

Your Committee has amended this bill by:

(1) Amending the amount of the excise tax on tobacco products to reflect an excise tax equal to the greater of 70 percent of the wholesale price of, or \$3.20 for, each article or item of tobacco products, other than large cigars, sold by the wholesaler or dealer on and after July 1, 2011;

- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (3) Making a technical, nonsubstantive amendment for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 273, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO. Chair

State of Hawaii House of Representatives The Twenty-sixth Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.:	Committee Referral:	Date:	all	
HB 273	FIN		2/15/	[[
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	V		Marie de la companya	
2. LEE, Marilyn B. (VC)	i			
3. CHONG, Pono				
4. CHOY, Isaac W.	L			
5. COFFMAN, Denny	L C			
6. CULLEN, Ty	V			
7. HAR, Sharon E.				
8. HASHEM, Mark J.				
9. ICHIYAMA, Linda	\ \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\			
10. JORDAN, Jo	V			
11. LEE, Chris				
12. MORIKAWA, Dee	ν			
13. TOKIOKA, James Kunane	ν ν			
14. YAMASHITA, Kyle T.	<u></u>			
15. MARUMOTO, Barbara C.	ν _,			
16. RIVIERE, Gil	V			
17. WARD, Gene				<i>``</i>
<u> </u>				
TOTAL (17)	15	0	0	2
The recommendation is: Adopted				
Vice Chair's or designee's signature: Marily S. Lel				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				