STAND. COM. REP. NO. 668

Honolulu, Hawaii

March 4 , 2011

RE: H.B. No. 840 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. 840 entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR,"

begs leave to report as follows:

The purpose of this bill as received by your Committee is to allow the provision of discounts for liquor purchases through coupons or mail-in rebates when made in combination with other merchandise.

For the purposes of a public hearing, your Committee circulated a proposed H.D. 1 that inserts additional provisions that:

- (1) Increase the various liquor tax rates; and
- (2) Reduce the tax rate on the first 60,000 barrels of beer brewed or produced by small breweries and brewpubs.

The Department of Taxation supported this bill. Anheuser Busch Companies; Kona Brewing Co.; Distilled Spirits Council of the United States; Wine Institute; Anheuser Busch Sales of Hawaii, Inc.; Southern Wine & Spirits of Hawaii; Hilton Worldwide; Hawaii Food Industry Association; Hawaii Liquor Wholesalers Association; and numerous concerned individuals opposed this measure. The Tax Foundation of Hawaii, MillerCoors, and several concerned individuals provided comments.

HB840 HD1 HSCR FIN HMS 2011-2840

Your Committee has amended this bill by adopting the proposed H.D. 1.

Your Committee has further amended this bill by:

- (1) Changing the proposed increase on the various liquor taxes from a 50 percent increase to a 20 percent increase; and
- (2) Making technical, nonsubstantive amendments 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. 840, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 840, 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.: HB 840	Committee Referral:	Date:	2/26	111
☐ 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)	~			, romanico
2. LEE, Marilyn B. (VC)	\ \rangle			
3. CHONG, Pono				•
4. CHOY, Isaac W.				
5. COFFMAN, Denny				
6. CULLEN, Ty	<u></u>			
7. HAR, Sharon E.				-
8. HASHEM, Mark J.				i
9. ICHIYAMA, Linda				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
10. JORDAN, Jo				<u>-</u>
11. LEE, Chris				
12. MORIKAWA, Dee		<u></u>		<u>.</u> -
13. TOKIOKA, James Kunane			1 1	
14. YAMASHITA, Kyle T.				
15. MARUMOTO, Barbara C.			·	
16. RIVIERE, Gil				
17. WARD, Gene				
	-			
No. 47				
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TOTAL (17)	12	3	O	2
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: Marily B. Lee				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				