

NEIL ABERCROMBIE
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DEPARTMENT OF TAXATION
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DEPUTY DIRECTOR

HOUSE COMMITTEE ON FINANCE

TESTIMONY OF THE DEPARTMENT OF TAXATION REGARDING HB 273 RELATING TO TOBACCO PRODUCTS

WRITTEN TESTIMONY ONLY

TESTIFIER:	FREDERICK D. PABLO, INTERIM DIRECTOR OF TAXATION (OR DESIGNEE)
COMMITTEE:	FIN
DATE:	FEBRUARY 15, 2011
TIME:	3:00PM
POSITION:	COMMENTS

This measure amends the calculation of tobacco tax on "other tobacco products" (*i.e.*, chew, pipe tobacco), from a percentage of the wholesale price per item, to a flat \$3.20 per item (*i.e.*, equal to a pack of cigarettes).

The Department of Taxation (Department) has the following comments.

THIS BILL COULD RESULT IN A REVENUE LOSS IF SALES ARE MORE THAN \$4.57 PER ITEM—Extrapolating the \$3.20 per item tax to the equivalent wholesale price at the tax rate of 70% of cost results in a wholesale transaction at \$4.57 per article. To the extent transactions cost less than \$4.57, this measure will result in revenue gains. To the extent transactions cost more than \$4.57, this measure will result in revenue loss. Without additional information, the Department is concerned about revenue loss to the extent there are substantial wholesale transactions costing more than \$4.57.

AMEND THE MEASURE TO TAX THE "GREATER OF" 70% OF WHOLESALE PRICE OR \$3.20—To ensure minimized revenue loss, the Department suggests amending the bill to impose tax on the "greater of" 70%

of wholesale price or \$3.20 per item. This amendment will stabilize the revenue impact and ensure no revenue is lost.

BASING THE TAX ON PERCENTAGE OF PRICE ENSURES INCREASED REVENUE WITH INFLATION—The Department points out that taxing items at a percentage of cost is a very efficient means of taxation because it locks in increased tax revenue derived from increases in value. For example, the cigarette tax is 16 cents per cigarette no matter how expensive the cigarette is. This method is inefficient in the sense that increases in the cigarette cost do not generate added revenue. By taxing a percentage of value, the tax on other tobacco products captures the inflationary impacts of price increases over time, resulting in increased revenue.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented Before
the House Committee on Finance
February 15, 2011 at 3:00 p.m.

by

Virginia S. Hinshaw, Chancellor
and

Michele Carbone, M.D., PhD.
Director, University of Hawai'i Cancer Center
University of Hawai'i at Mānoa

HB 273 RELATING TO TOBACCO PRODUCTS

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

Mahalo for the opportunity to share our support for the significance of increasing the state excise tax on tobacco products.

The University of Hawai'i Cancer Center is recognized as one of only 65 National Cancer Institute (NCI) designated Cancer Centers in the country. The Center studies cancer in relation to the unique physical, cultural, and environmental characteristics of Hawai'i. Our mission is to reduce the burden of cancer and ensure a healthier future for the people of our state. We are a research enterprise affiliated with the University of Hawai'i at Mānoa.

The UH Cancer Center is a recipient of significant funding generated through cigarette tax legislation passed in 2006. This funding enabled the Center to begin construction in October on a state-of-the-art cancer center that will greatly enhance and expand our research capacity. Two of our faculty members are among the nation's leading experts in tobacco use and cessation: Thomas Wills, PhD., interim director of the Prevention and Control program and his colleague, Thaddeus Herzog, PhD.

The perils of smoking tobacco have long been known. Smoking is one of the most preventable causes of death in our society. But national research also tells us there is no safe form of tobacco use. At least 28 chemicals in smokeless tobacco have been found to cause oral, esophageal, and pancreatic cancer. Smokeless tobacco has also been linked to increased rates of heart disease, gum disease and oral lesions. All tobacco products contain nicotine which is addictive.

Unfortunately the direct marketing of tobacco products to our children and young adults is having a negative impact in Hawai'i as the use rates for smokeless tobacco products

is trending upwards, indicated by the increase in tax revenues on these products. Data tell us that the younger the age at which tobacco use habits are formed, the more likely the user is to face serious health consequences as they age.

Raising tobacco-tax rates will reduce youth use. After reviewing a number of research studies on the relationship between tobacco product prices and use rates, the independent U.S. Centers for Disease Control and Prevention (CDC) Task Force on Community Preventive Services similarly concluded that increases in tobacco prices decrease both adult and youth prevalence and reduce the quantity used by adolescents and young adults who do not quit. The Task Force also concluded that adolescents and young adults are two to three times more sensitive to tobacco price changes than adults. Accordingly, the Task Force strongly recommends excise tax increases to raise the unit prices of tobacco products in order to: 1) reduce consumption of tobacco products; 2) reduce tobacco-use initiation; and 3) increase tobacco-use cessation.

Those users hardest hit by an increased tax on tobacco products will be youth. Therefore, the opportunity to discourage youth and adults from using tobacco products by increasing the tax on these products is an initiative we strongly support.

Mahalo for your partnership in improving the health and well being of the people of Hawai'i.

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, Tax on other tobacco products

BILL NUMBER: SB 233; HB 273 (Identical)

INTRODUCED BY: SB by Baker, Chun Oakland, Green, and 3 Democrats; HB by Yamane

BRIEF SUMMARY: Amends HRS section 245-3 to provide that the tax on tobacco products other than large cigars shall be \$3.20 instead of 70% of the wholesale price effective July 1, 2011.

EFFECTIVE DATE: July 1, 2011

STAFF COMMENTS: The proposed measure provides that the tax on other tobacco products other than large cigars shall be \$3.20 rather than 70% of the wholesale price. It should be noted that when Act 58, SLH 2009, was approved by the legislature, it changed the way other tobacco products are taxed and increased the rate of the ad valorem tax on other tobacco products other than cigars to 70% of the wholesale value and imposed an ad valorem tax equal to 50% of the wholesale value on cigars that had a "ring gauge" of more than 30 (approximately a half inch circumference). In the latter case, those cigars of less than that ring gauge, known as "little cigars," were thrown into the same rate schedule as cigarettes.

However, this proposal highlights one of the distortions that occurs when product price increases and consumption either decreases or in the case where the tax is based on the cost or value of the product, tax collections will be adversely affected. Until 1993 all tobacco products were taxed at a rate of 40% of the wholesale value of the product plus the 0.5% general excise tax rate and, of course, the 4% general excise tax at retail. When the tax on cigarettes was converted to a per unit basis in 1993, it put all cigarettes, regardless of value, on parity. So inexpensive product was taxed at the same rate as more expensive product even though the difference in cost may have been attributed only to the cost of marketing and advertising the more costly product. As lawmakers increased the tax per pack over the years and the cost of making the product also increased the retail price, smokers had three choices, either pay more for their preferred brand, quit smoking, or trade down to a less costly product. While quitting smoking will definitely spell a loss in tax revenues for the state, trading down to a less costly brand will not.

This is an important point to note with respect to all other tobacco products, lawmakers should consider restructuring the way other tobacco products are taxed to insure stability in the collections from the sales of these products. Instead of continuing to set the tax as a percent of the wholesale value, consideration should be given to moving to a per unit approach like the taxing of cigarettes. While this measure proposes that all other tobacco products, other than large cigars, shall be taxed at \$3.20, the amount of tax imposed on a package of cigarettes as of July 1, 2011, it should be noted that there are no multiples of other tobacco products like cigarettes per pack, as these products are usually sold by the weight.

Under this proposal, a tin of 5 ounces of pipe tobacco would pay the \$3.20 as would a large can of 24 ounces. If, on the other hand, the tax was based on the weight of the product, the larger the package of tobacco products, be it chewing tobacco or pipe tobacco, the more the tax would be. Thus, three ounces of pipe tobacco, no matter what the value of the product, would be taxed like another container of three ounces of pipe tobacco. Similarly, cigars that are fatter and, therefore, weigh more than say, cigarillos, which are thinner, would be taxed according to the overall weight of the product. As a result, when the cost of the product rises, and the behavioral reaction is to trade down to a less costly product sets in, the amount of tax the state receives will be the same, thus stabilizing the collections from this source.

In making the conversion to so many cents per ounce, lawmakers may want to utilize the current tax collected on the most expensive product and divide that amount by the number of ounces. While this will result in an initial bump in collections as the tax on less costly product will see an increase, it will bring parity to these types of products and stabilize collections as users migrate to less costly brands or products as the cost rises.

Digested 1/31/11



February 13, 2011

Committee on Finance
Representative Marcus Oshiro, Chair
Representative Marilyn Lee, Vice Chair

Hearing:

3:00 p.m., Tuesday, February 15, 2011
Hawaii State Capitol, Room 308

RE: HB 273, Relating to Tobacco Products

Testimony in Strong Support

Chair Oshiro, Vice Chair Lee and members of the Committee on Finance. My name is George Massengale and I am here today on behalf of the American Cancer Society Hawaii Pacific Inc. Thank you for the opportunity to testify in strong support of HB 273, which would impose an excise tax on tobacco products other than cigarettes, little cigars and large cigars that is equivalent to the tax imposed currently on cigarettes.

For over 60 years, the American Cancer Society in Hawaii has been dedicated to eliminating cancer as a major health problem through research, prevention activities, early detection, new and innovative treatments, and advocacy.

The American Cancer Society (ACS) was an early promulgator of the link between smoking and cancer in the landmark epidemiological studies of 1952 and 1959. In 1962, the ACS Board of Directors, having reviewed scientific studies on the relationship between cigarette smoking and lung cancer, publicly declared that "the clinical, epidemiological, experimental, chemical and pathological evidence presented by the many studies reported in recent years indicates beyond reasonable doubt that cigarette smoking is the major cause of the unprecedented increase in lung cancer."

In looking for ways to reduce smoking and tobacco use, ACS concluded that raising the tax on cigarettes and other tobacco products would be an effective way to reduce their use; thus, in turn reducing the incidents of various types of cancers including, lung, pharyngeal, and oral cancer.

In 2009, due to concerns of the legislature in the increase use of smokeless tobacco products, the tax on these products was raised from 40% to 70% of the wholesale price; generating an additional \$500,000 in tax revenues; from \$3.03 million in 2008 to \$3.53 million in 2010. Despite this increase, there are indications that the use of smokeless tobacco products continues to trend upwards.

We would note for the committee that in 2007, the President's Cancer Panel issued its report, *Promoting Healthy Lifestyles*, which advised increasing state tobacco taxes; stating, **"Increases in tobacco excise taxes, which are passed along to consumers in the form of higher tobacco product prices, have proven highly effective in reducing tobacco use by promoting cessation among current users, discouraging relapse among former users, preventing initiation among potential users, and reducing consumption among those who continue to use tobacco. These revenues also provide crucial dollars needed to fund anti-tobacco efforts."**

In moving this measure forward, we ask the committee to also consider the President's Cancer Panel's recommendation to fund anti-tobacco efforts and amend this bill by including a provision that would allocate a certain percentage of the new revenues directly to the Hawaii Tobacco Control Trust Fund which is administered by the Hawaii Community Foundation. This will ensure that community based organizations throughout the state would be able to maintain or even increase tobacco prevention and cessation services.

Thank you for the opportunity to provide this testimony in strong support of HB273.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'G. Massengale', written in a cursive style.

George S. Massengale, JD
Director of Government Relations



American Heart Association | American Stroke Association

Learn and Live.

Serving Hawaii

Testimony for HB 273 "Relating To Tobacco"

The American Heart Association supports the intent of HB 273, but recommends an amendment to the bill.

A portion of new funds realized from any tobacco tax increase should be directed toward further tobacco prevention and education. Hawaii current investment remains well below the Centers for Disease Control's recommended spending in tobacco and prevention. The CDC recommends that Hawaii invest \$15.4 million per year on tobacco prevention, education and cessation programs to fully achieve success in reducing tobacco dependence. Last year the state invested only approximately \$8 million toward that end.

The state should attempt to set the tax on "other tobacco" products at a level comparable to its cigarette tax. In the future, any cigarette tax increases should be accompanied by a comparable increase in the tax on other tobacco products to insure that hikes in cost for one type of tobacco product don't drive potential young customers toward the cheaper type of tobacco. The goal of any tobacco tax increase should be primarily to achieve a reduction in use of tobacco products, especially by price-sensitive young people. The costs to the state for medical care alone related to tobacco use far outweigh the benefits in taxes collected on tobacco sales.

What do nicotine and tobacco smoke do to the body?

Nicotine causes a short-term increase in blood pressure, heart rate and the flow of blood from the heart. It also causes the arteries to narrow. Users of smokeless tobacco are exposed to levels of nicotine that are comparable to cigarette smokers. In addition, smoke from other tobacco products like "little cigars" or roll-your-own tobacco include carbon monoxide, which reduces the amount of oxygen the blood can carry. This, combined with the nicotine effects, creates an imbalance between the demand for oxygen by the cells and the amount of oxygen the blood can supply. Tobacco smoke also increases the risk of developing hardening of the arteries and heart attacks in several ways. First, carbon monoxide damages the inner walls of the arteries, encouraging fatty buildups in them. Over time, this causes the vessels to narrow and harden. Nicotine may also contribute to this process. Smoking also causes several changes in the blood that make clots—and heart attack—more likely. Cigar and pipe smoking increases the risk of abdominal aortic aneurysm by as much as six times compared to never-smokers. Smoking cigars or pipes doubles the risk of fatal stroke compared to never-smokers. Smoking cigars or pipes and cigarettes increases the risk for fatal stroke by six times compared to never-smokers. Pipe smoking has been found to increase coronary heart disease risk by almost as much as cigarette smoking.

It is important to both maintain a balance between the taxes on cigarettes and the tax on "other tobacco" products in order to continue to drive down Hawaii's youth smoking rates. It is just as important to maintain the level of investment in tobacco prevention, education and cessation programs at or near the CDC's minimum recommended amounts. The AHA strongly recommends that a portion of any new tobacco tax revenue be earmarked to support those life-saving programs.

Respectfully submitted,

Donald B. Weisman
Hawaii Advocacy Director

Serving Hawaii since 1948

For information on the AHA's educational or research programs, contact your nearest AHA office, or visit our web site at www.americanheart.org or e-mail us at hawaii@heart.org

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Fighting for Air

Founded in 1904, the
American Lung Association
includes affiliated associations
throughout the U.S.



February 13, 2011

To: Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair
Members, House Committee on Finance

Re: **Strong Support for HB 273, Relating to Tobacco Products**
FIN Cmte; February 15, 2011 at 3:00 p.m.; Rm 308

Thank you for allowing me to submit testimony in strong support of HB 273. My name is Debbie Odo and I represent the American Lung Association in Hawaii which provides statewide services for tobacco prevention and cessation. I support HB 273 because it is a win-win for our State.

Many states have been increasing their cigarette tax rates both to increase state revenues and to reduce smoking, especially among kids. By neglecting to increase their smokeless and other non-cigarette tobacco taxes at the same time, Hawaii can miss an opportunity to further reduce overall youth tobacco use and tobacco-caused harms, and secure additional new state revenues.

The increase revenue will help to fund tobacco prevention and cessation programs. Our state will see more tax revenue and we will see less people using tobacco products, leading to preventable disease. Smokeless tobacco use leads to serious health issues including esophageal cancer, gum disease; and it increases the risk for cardiovascular disease.

An increase in the cost on tobacco products will result in less people using smokeless tobacco. Youth are more sensitive to prices than adults. We must do as much as we can to prevent youth from using tobacco. Children, especially boys and young men, who use smokeless tobacco are at an increased risk to become future smokers.

At our workplace and community wellness events, many smokers have shared how they switched from cigarettes to rolling their own cigarettes because of the cost. I also just pulled a tobacco advertisement that shared how smokers should switch to snus (smokeless tobacco in a pouch) instead of cigarette smoking. Tobacco Industry is planting the seed that other tobacco products are safer and that's not true because there is no safe tobacco.

We must be sure taxes on all tobacco products are equitable so that those who are addicted to nicotine will quit. Having more smokers quit means less costs to our state in tobacco-related medical expenses.


Thank you for the opportunity to provide testimony in support of HB 273 an increase in the tax on other tobacco products.

Sincerely,

Debbie Odo, Tobacco Control Manager
E-mail: Dodo@ala-hawaii.org Phone: (808) 537-5966 ext. 216



COALITION FOR A
TOBACCO-FREE HAWAII

To: The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair
Members, House Committee on Finance
From: Trisha Y. Nakamura, Esq. Policy and Advocacy Director 
Date: February 12, 2011
Hrg: FIN Cmte; February 15, 2011 at 3:00 p.m.; Rm 308
Re: Strong Support for HB 273, Relating to Tobacco Products

Thank you for the opportunity to comment in support of HB 273 which provides for parity between taxes on cigarettes and most other tobacco products. In addition, we offer some recommendations that we feel will help further carry out the intent of this measure: increased health of Hawaii's people and tax parity between cigarettes and other tobacco products.

The Coalition for a Tobacco Free Hawaii (Coalition) is the only independent organization in Hawaii whose sole mission is to reduce tobacco use through education, policy and advocacy. The Coalition provides leadership for the tobacco control community, develops networks, helps coordinate tobacco control programs and builds community awareness.

Health is Promoted By Increasing the Tax on Tobacco Products Other Than Cigarettes

By increasing the cost of each tobacco product sold, use of smokeless tobacco by adults and young people will decrease. This will result in a decline in the serious health conditions that arise from use of smokeless tobacco including cancer of the esophagus pharynx, larynx, stomach, and pancreas, gum disease, and the risk of cardiovascular disease.

Adolescents and young adults are two to three times more sensitive to tobacco price changes than adults—less youth will begin to start using smokeless tobacco and more will reduce their consumption. Hawaii has seen youth use of smokeless tobacco fluctuate despite our decreasing smoking rates. This is a concern: children and adolescents who use smokeless tobacco, especially if they are male, are at an increased risk to become cigarette smokers.

Parity in Taxes on Cigarettes and Other Tobacco Products Is Imperative

The Coalition supports efforts to set the tax on other tobacco products comparable to the tax on cigarettes. With the increase proposed in HB 273, consumers will not be able to switch from one



COALITION FOR A TOBACCO-FREE HAWAII

form of tobacco to another. This measure will ensure most other tobacco products are not more “price-friendly” than cigarettes. More consumers are more likely to quit.

A Portion of the Revenues Must Be Earmarked for Tobacco Prevention and Treatment

Hawaii residents overwhelmingly agree (91 percent) that it’s important for the state to earmark some of the revenue to fund tobacco prevention and quit smoking programs. When the price of tobacco increases, more seek help to quit. It’s necessary we have community resources including the Quitline, the American Lung Association, and services at community health centers to help tobacco users address their nicotine addiction.

We strongly support this measure and urge you to dedicate a portion of the revenue to programs that help tobacco users quit. We also urge you to maintain existing funding for tobacco prevention and quit smoking programs to meet the demand.

The Coalition Recommends Language to Ensure Tax Parity and Health Benefits in the Future

The Coalition urges the Legislature to consider adding in language that would result in the continued parity between the taxes on tobacco products and cigarettes. When the tax on cigarette increases, the tax on other tobacco products would also increase. In addition, more parity is created when products are sold in larger quantities, rather than in single or small amounts.

Here is the draft language :

Section 7. Chapter 245 of the Hawaii Revised Statutes, section 245-3, is hereby amended by adding new subsection (14) as follows:

(14) An excise tax equal to ninety per cent of the wholesale price of each article or item of tobacco products, other than cigars, and equal to fifty percent of the wholesale price for large cigars sold by the wholesaler or dealer on and after July 1, 2011, whether or not sold at wholesale, or if not sold then at the same rate upon the use by the wholesaler or dealer, except that:

(a) for large cigars there shall be a minimum tax rate equal to the amount of the total tax on a pack of 20 cigarettes established by this chapter per package of five cigars, with a proportionate tax for any package or quantity of cigars consisting of fewer or more than five cigars, and no cigars with a wholesale price of less than \$1.00 per cigar shall be sold in packages of fewer than five;



COALITION FOR A
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(b) for any tobacco product other than cigarettes or cigars that is offered in discrete single-use lozenges, pouches, pills, capsules or other single-dose or single-use units, or in packages of such single-use units, there shall be a minimum tax equal to the amount of the total tax per-cigarette established by this chapter per each single-use unit, and all such tobacco products shall be sold in packages containing at least twenty individual single-use units;

(c) for any smokeless tobacco product that consists of loose tobacco or that is otherwise not subject to paragraph (b), there shall be a minimum tax equal to the amount of the total tax on a pack of 20 cigarettes established by this chapter per 1.2 ounces, with a proportionate tax on any weights of fewer or more than 1.2 ounces, based on the net weight as provided in good faith by the manufacturer, and all such tobacco products shall be sold in packages containing at least one ounce;

(d) for roll-your-own tobacco and any other loose tobacco meant for smoking, there shall be a minimum tax equal to the amount of the total tax on a pack of 20 cigarettes established by this chapter per 0.65 ounces with a proportionate tax on any other weights, based on the net weight as provided in good faith by the manufacturer, and all such tobacco products shall be sold in packages containing at least 0.65 ounces; and

(e) for any other tobacco product, there shall be a minimum tax equal to the total tax under this chapter on twenty cigarettes per each package or container that contains any such tobacco product intended or expected for final sale to consumers, with the tax applied to the smallest package or container in any package or container intended or expected for sale to consumers that contains multiple smaller packages or containers.

The Coalition also requests the Legislature to examine any cigarette tax increases alongside this bill as changes to the tobacco tax schemes interplay.

The Coalition requests your consideration of the language proposed and your support of creating parity between other tobacco products and cigarettes. Thank you for the opportunity to provide comments in support of this measure.



February 14, 2011

TO: Rep. Marcus R. Oshiro, Chair, Rep. Marilyn B. Lee, Vice Chair and Members of the
Committee On Finance
FROM: Jackie Berry, Executive Director
RE: HB273
Hearing: Tuesday, February 15, 2011 at 3:00pm

Honorable Chairperson Oshiro, Vice Chairperson Lee and Members of the Committee on Finance

HMHB is a statewide coalition of public and private agencies and individuals committed to the improvement of maternal and infant health status in Hawaii through education, coordination and advocacy. **HMHB is testifying today in support of SB 273 Relating to Tobacco Products.** This bill would impose an excise tax on tobacco products other than cigarettes that is equivalent to the tax imposed on a standard package of twenty cigarettes or little cigars. Tax increases will not only bring in additional revenue, they will reduce tobacco use, particularly among our young people. Youth are two to three times more sensitive to tobacco price changes than adults. Chew, as well as new and emerging products are being marketed to you, and, it is working – rates of smokeless tobacco use among high school students rose from 2.8% to 3.7% between 2003 and 2007.

HMHB is particularly concerned about tobacco use by young women. Research indicates the importance of healthy behaviors prior to pregnancy have on birth outcomes. What women do prior to pregnancy will affect their babies. Healthy Women have Healthy Babies, and healthy women do not use tobacco products.

We urge you support of this bill.

Mahalo for your consideration of this bill and our testimony.

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February 13, 2011

To: Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair
Members, House Committee on Finance

Re: **Strong Support for HB 273, Relating to Tobacco Products**
FIN Cmte; February 15, 2011 at 3:00 p.m.; Rm 308

My name is Valerie Chang. I am Executive Director of the Hawaii COPD Coalition. Our organization provides services and support and improves treatment for Hawaii's people affected by Chronic Obstructive Pulmonary Disease (COPD), more commonly known as emphysema, chronic bronchitis and similar conditions. COPD and other respiratory conditions are the third leading cause of death in the US. Our 2007 and 2008 survey data reveal **22,000 to 30,800 of Hawaii adults (2.2-3.2%) have been told they have COPD, emphysema and/or chronic bronchitis.** It is estimated that at least another 22,000 to 30,800 Hawaii adults remain undiagnosed while suffering from COPD. **COPD is responsible for \$55.9 million in emergency and hospital charges in 2008.** Tobacco smoking is the major cause of these health conditions. For more information and Hawaii Department of Health's Burden of COPD in Hawaii 2010 Report to go <http://hawaiicopd.org>.

The Hawaii COPD Coalition strongly *supports* HB273 raising taxes on other tobacco products. The tax increase will bring in greatly needed revenue and reduce tobacco use, particularly in our youth who are especially sensitive to price. These funds can help increase tobacco prevention and cessation efforts, since so many want to quit and need services to help them. Youth use of smokeless products is rising in both high and middle school students. Many dangerous health conditions are caused by smokeless tobacco, including cancers, gum disease and increased cardiovascular conditions. Rates must be increased to keep prices comparable to cigarettes and ensure declines in use.

Tobacco causes so many health, social and financial problems in addition to COPD. Please vote in favor of HB273. Thank you for carefully considering this matter. Please do not hesitate to contact me if I can provide any additional information.

Aloha,
Valerie Chang, JD
Executive Director
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Website: <http://hawaiicopd.org>,
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