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Honolulu, Hawaii

## MAR 0 1 2013

RE: S.B. No. 1261 S.D. 2

Honorable Donna Mercado Kim President of the Senate Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

## Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1261, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR TAX LAW,"

begs leave to report as follows:

The purpose of this measure is to promote small businesses by lowering the tax rate on beer for breweries and brewpubs that brew or produce no more than sixty thousand barrels of beer per taxable year.

Your Committee received written comments in support of this measure from Maui Brewing Company and a concerned individual.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that by applying a reduced liquor tax rate on beer produced by small breweries and brewpubs, this measure will promote job creation in Hawaii and help the local beer industry compete with large breweries from the mainland that enjoy lower costs of production.

Your Committee has amended this measure by:

(1) Repealing the expired liquor tax rates in section 244D-4(a), Hawaii Revised Statutes;

- (2) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (3) Making technical nonsubstantive amendments for clarity, consistency, and style.

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. 1261, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1261, S.D. 2.

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

DAVID Y. IGE. Chair

## The Senate Twenty-Seventh Legislature State of Hawaiʻi

## Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee Referral:		Date:		
5B1261, 5D1	CPH, WAM		2-22-13		
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)		V			
KIDANI, Michelle N. (VC)		V	-		
CHUN OAKLAND, Suzanne					
DELA CRUZ, Donovan M.					
ENGLISH, J. Kalani		1			
ESPERO, Will				:	
KAHELE, Gilbert		1/			
KEITH-AGARAN, Gilbert S.C.					
KOUCHI, Ronald D.					
RUDERMAN, Russell E.					
THIELEN, Laura H.					
TOKUDA, Jill N.					
SLOM, Sam					
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				Α	
TOTAL		12	0	0	
Recommendation:  Adopted Not Adopted					
Chair's or Designee's Signature:  huhlle A - Lielani					
Distribution:         Original         Yellow         Pink         Goldenrod           File with Committee Report         Clerk's Office         Drafting Agency         Committee File Copy					

\*Only one measure per Record of Votes