STAND. COM. REP. NO. 520 -14

Honolulu, Hawaii
REBNAY 14, 2014

RE: H.B. No. 2483 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2483 entitled:

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

begs leave to report as follows:

The purpose of this measure is to support the growing craft beverage industry in Hawaii by applying a reduced gallonage tax on draft beer and beer other than draft beer brewed or produced by a small brewery or brew pub, still wine and sparkling wine produced by a small winery, and distilled spirits produced by a small manufacturer.

Maui Brewing Co. testified in support of this measure. Wine Institute and Anheuser Busch Companies testified in opposition to this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the reduced gallonage tax amount for still wine and sparkling wine and related provisions; and
- (2) Changing the effective date to July 1, 2112, to encourage further discussion.

Your Committee respectfully requests that your Committee on Finance further examine the issue of whether or not a preferential tax structure on new classes of liquor licensees that may not exist in other states could be a violation of federal law.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2483, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2483, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ANGUS L.K. McKELVEY, Chair

State of Hawaii House of Representatives HSCR 520-14 The Twenty-seventh Legislature

Record of Votes of the Committee on Consumer Protection and Commerce

Bill/Resolution No.: HB 2403	Committee C	Referral:	Date	02/10/14	
☐ 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)					
CPC Members			<u> </u>		·
		Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)					
2. KAWAKAMI, Derek S.K. (VC)					
3. BELATTI, Della Au					
4. BROWER, Tom				44	
5. CACHOLA, Romy M. 6. CREAGAN, Richard		Allowa III I			
7. EVANS, Cindy					
8. HAR, Sharon E.		-/			
9. ITO, Ken	-				
10. LEE, Chris	-				
11. NAKASHIMA, Mark M.		7			
12. OSHIRO, Marcus R.					
13. TSUJI, Clift	:				
14. YAMANE, Ryan I.					
15. MCDERMOTT, Bob		1,			
16. THIELEN, Cynthia					
·					
		 			
TOTAL (16)		13			3
The recommendation is: Adopted Not Adopted If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO					