

Honolulu, Hawaii

February 9, 2018

RE: H.B. No. 2412  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2412 entitled:

"A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Tax spirit beverage coolers based on the amount of alcohol content rather than the total liquid content by amending the definition of "cooler beverage" to include spirit beverage coolers, since cooler beverages are specifically excluded from the definitions of "beer," "distilled spirits," and "wine" under Liquor Tax Law; and
- (2) Simplify the taxation scheme on beers by eliminating the distinction between draft beers and all other beers and simply taxing under one category, "beers."

Honolulu BeerWorks, Waikiki Brewing Company, Maui Brewing Company, Lanikai Brewing Company, Hawaiian Craft Brewers Guild, REAL a gastropub/Bent Tail Brewing Company, Beer Lab HI, Kauai Island Brewing Company, Kauai Beer Company, Kohola Brewery, Big Island Brewhaus, Homebrew in Paradise, Broken Boundary Brewery, LLC., and numerous individuals testified in support of this



measure. The Hawai'i Alcohol Policy Alliance testified in opposition. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to promote further discussion.

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. 2412, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2412, H.D. 1, and be referred to your Committee on Finance.

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

*R. Takumi*

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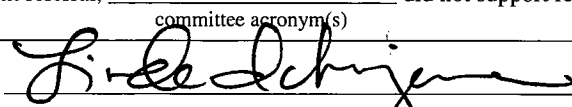
ROY M. TAKUMI, Chair



State of Hawaii  
House of Representatives  
The Twenty-ninth Legislature

**NSCR 197-10**

**Record of Votes of the Committee on Consumer Protection & Commerce**

<b>Bill/Resolution No.:</b> <b>HB 2412</b>	<b>Committee Referral:</b> <b>CPC, FIN</b>	<b>Date:</b> <b>2/2/18</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
<b>CPC Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. <b>TAKUMI, Roy M. (C)</b>	✓			
2. <b>ICHIYAMA, Linda (VC)</b>	✓			
3. <b>AQUINO, Henry J.C.</b>				✓
4. <b>ITO, Ken</b>	✓			
5. <b>JOHANSON, Aaron Ling</b>	✓			
6. <b>LoPRESTI, Matthew S.</b>	✓			
7. <b>MIZUNO, John M.</b>				✓
8. <b>SAY, Calvin K.Y.</b>	✓			
9. <b>TOKIOKA, James Kunane</b>	✓			
10. <b>YAMANE, Ryan I.</b>				✓
11. <b>McDERMOTT, Bob</b>				✓
<b>TOTAL (11)</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b> 				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				