STAND. COM. REP. NO. 20 -20

Honolulu, Hawaii

FFR 28 , 2020

RE: H.B. No. 2726

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2726, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Amend the definition of "cooler beverage" to include spirits-based beverages, to encourage local distilleries to produce ready-to-drink cocktails; and
- (2) Create a more equitable taxation scheme by establishing a separate tax rate on beer for small craft producer pubs.

Your Committee received testimony in support of this measure from BeerLab Hawaii, Three Peaks Island Craft Beer and Gifts, and Olomana Brewing Company. Your Committee received comments on this measure from the Department of the Attorney General; Department of Taxation; Tax Foundation of Hawaii; Waikiki Brewing Company; Big Island Brewhaus; Maui Brewing Co.; Kauai Beer Company; Kauai Island Brewing Company, LLC; Hawaiian Craft Brewers Guild; and Honolulu Beerworks.

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. 2726, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on behalf of the members of the Committee on Finance,

CVI VI A LUVE Chair

State of Hawaii House of Representatives The THIRTIETH Legislature

HSLR880-20

Record of Votes of the Committee on Finance

Bill/Resolution No.:	Committee Referral:			
HB 2726, HDI	EDB, CPC, FIN 2.25.2020		20	
☐ 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. LUKE, Sylvia (C)				
2. CULLEN, Ty J.K. (VC)				
3. ELI, Stacelynn K.M.			·	
4. GATES, Cedric Asuega				
5. HASHIMOTO, Troy N.			·	
6. HOLT, Daniel	✓			
7. KITAGAWA, Lisa	<u> </u>			
8. KOBAYASHI, Bertrand				
9. MATAYOSHI, Scot Z.				
10. NAKAMURA, Nadine K.			·	Warning America
11. NISHIMOTO, Scott Y.				
12. TODD, Chris				
13. WILDBERGER, Tina			<u> </u>	
14. YAMASHITA, Kyle T.				
15. McDERMOTT, Bob				
		1		
TOTAL (15)	13	Ø	Ø	2
The recommendation is: 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				