STAND. COM. REP. NO. 1109

Honolulu, Hawaii

MAR 0 1 , 2019

RE: H.B. No. 887

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 887, 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 simplify certain statutes relating to the taxation of intoxicating liquor and align them to current industry practices by:

- (1) Amending the definition of "cooler beverage" to include spirits-based beverages so that they are taxed at the same rate as wine- or beer-based cooler beverages; and
- (2) Applying the tax rate currently applied to draft beer to all beer regardless of how the beer is dispensed.

Waikiki Brewing Company, Maui Brewing Co., Kona Brewing Co., Kauai Beer Company, Hawaiian Craft Brewers Guild, REAL a gastropub/Bent Tail Brewing Company, and Beer Lab HI supported this measure. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your

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Committee is in accord with the intent and purpose of H.B. No. 887, H.D. 1, and recommends that it pass Third Reading.

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



State of Hawaii



Record of Votes of the Committee on Finance

Bill/Resolution No.: Committee Referral: Date: 21210 19				
☐ 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)			14	1.
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				·
8. KOBAYASHI, Bertrand	/			
9. MATAYOSHI, Scot Z.				
10. NAKAMURA, Nadine K.				
11. NISHIMOTO, Scott Y.	e e	ř.		
12. TODD, Chris				
13. WILDBERGER, Tina				
14. YAMASHITA, Kyle T.				
15. McDERMOTT, Bob				<u> </u>
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TOTAL (15)	14	Ø	Ø	
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				