

Honolulu, Hawaii
MAR 06 , 2026

RE: H.B. No. 1991
H.D. 2

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Finance, to which was referred H.B. No. 1991, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Replace the defined liquor categories subject to the liquor tax with alcohol-by-volume categories, but with a separate rate for beer manufactured by a small craft producer pub licensee; and
- (2) Amend the liquor tax rates to account for inflation.

Your Committee received testimony in support of this measure from the Hawaii Substance Abuse Coalition; Hawai'i Public Health Institute; Bold Like Britt; and numerous individuals. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources; Chamber of Commerce Hawaii; Maui Chamber of Commerce; Beer Lab HI; Aloha Beer Company; Retail Merchants of Hawaii; Maui Brewing Co. Restaurants; Hawaii Food Industry Association; Lanikai Brewing Company LLC; Honolulu Beerworks; Lahaina Brewing Co.; Beer Institute; Brewers Association; Kona Brewing Hawaii; Molson Coors Beverage Company; Hana Koa Brewing Company LLC; Kauai Island Brewing Company; Maui



Brewing Co.; Wine Institute; Hawaii Liquor Wholesalers Association; Big Island Brewhaus LLC; Maui Wine; Wailuku Brew Works; and three individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee requests subsequent committees to consider whether the alcohol-by-volume framework proposed by this measure is appropriate and beneficial to the State's economy and whether it avoids providing a competitive advantage to importers at the expense of local producers.

Your Committee has amended this measure by:

- (1) Changing the liquor tax rates to unspecified amounts; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 1991, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1991, H.D. 2.

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



CHRIS TODD, Chair



