

STAND. COM. REP. NO.

1036

Honolulu, Hawaii

MAR 27 2009

RE: H.B. No. 1175
H.D. 3
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Health, to which was referred H.B.
No. 1175, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to generate general fund revenues by increasing the cigarette tax from 10 cents to 20 cents per cigarette, beginning July 1, 2009.

Your Committee received testimony in support of this measure from the Hawaii Primary Care Association, the American Heart Association, the American Lung Association and the Coalition for a Tobacco-Free Hawaii. Testimony in support of this measure with amendments was submitted by the American Cancer Society. Testimony in opposition to this measure was submitted by the Department of Taxation. Comments on this measure were submitted by the Tax Foundation of Hawaii.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is a one-time tax increase that replaces the current yearly tax increase which puts the per-cigarette tax at 13 cents by September 30, 2011.



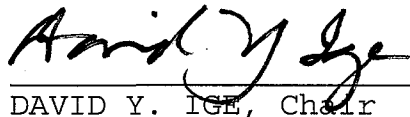
Your Committee further finds that a portion of the revenues collected from the cigarette tax should be used for tobacco prevention programs.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language that provides for a percentage of the remaining amount of tax collected pursuant to section 245-3(a)(8), Hawaii Revised Statutes, to be deposited to the credit of the Hawaii tobacco prevention and control trust fund established pursuant to section 328L-5, Hawaii Revised Statutes; and
- (2) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1175, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1175, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

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

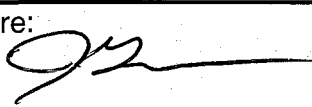


DAVID Y. IGE, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1175 HD 3	HTH, WAM	03-18-09		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
GREEN, M.D., Josh (VC)	✓			
BAKER, Rosalyn H.	✓			
ESPERO, Will	✓	✓		
NISHIHARA, Clarence K.	✓			
HEMMINGS, Fred				✓
TOTAL	4	1	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes