

STAND. COM. REP. NO. 321

Honolulu, Hawaii

Feb 13, 2007

RE: H.B. No. 225
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 225
entitled:

"A BILL FOR AN ACT RELATING TO CIGARETTE TAX,"

begs leave to report as follows:

The purpose of this bill is to ensure proper distribution of
taxes collected from the sale of cigarettes by:

- (1) Clarifying that the cigarette tax collected pursuant to
section 245-15, Hawaii Revised Statutes, will be
assessed on a per cigarette basis; and
- (2) Ensuring that the cigarette taxes collected are
earmarked for designated special funds through the year
2011 and beyond.

The Department of Health, Department of Taxation, Honolulu
Emergency Services Department, University of Hawaii System, Hawaii
Primary Care Association, Coalition for a Tobacco Free Hawaii,
American Heart Association of Hawaii, American Cancer Society,
Queen's Medical Center, and Hawaii Pacific Health supported this
bill. The Tax Foundation of Hawaii submitted comments on this
measure.

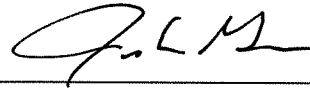


Your Committee has amended this measure by:

- (1) Changing the effective date of subsequent increases in the cigarette tax to begin after September 30, instead of September 29 of each respective year; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

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. 225, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 225, H.D. 1, and be referred to the Committee on Finance.

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



JOSHUA B. GREEN, M.D., Chair



