

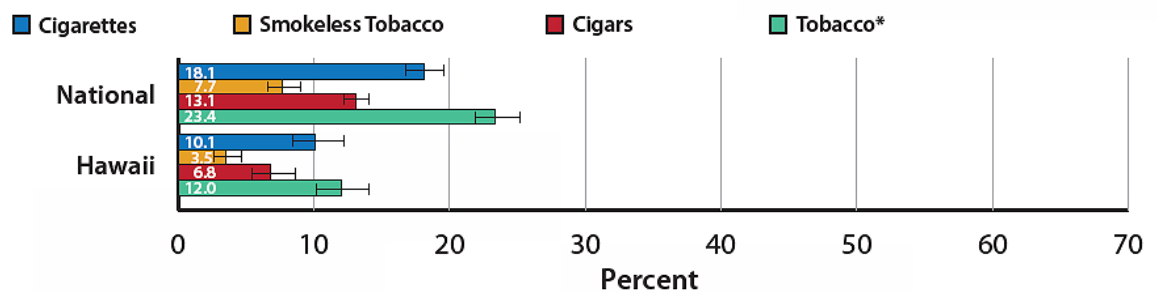
Lower Cigar Taxes Defeated This Session!

SB 188, also referred to as the “Kaua`i Cigar bill,” attempted to repeal the definition of “large cigar,” adding a new definition of “premium cigar” and changing the tax rate on these products to a flat 50 cents per premium cigar, a significant decrease in taxes. The bill was deferred in the House on March 20 after passionate debate from both sides. Kaua`i Community Coalition Coordinator, Valerie Saiki, delivered powerful oral testimony on behalf of Tobacco-Free Kaua`i at the hearing on March 20 which was instrumental in deferring the measure.

SB 188 was nicknamed the “Kaua`i Cigar bill” because the owner of the Kaua`i Cigar Company (who’s also the president of the Hawaii Cigar Association) championed the bill. Associating Kaua`i with yet another tobacco market (like Camel’s “Kaua`i Colada” in 2004), Tobacco-Free Kaua`i decided to voice their strong opposition to this bill by working closely with CTFH staff to weigh in on the measure.

In their testimony, Tobacco-Free Kaua`i identified four major concerns for the committees to consider when deciding on SB 188: Hawaii’s increasing trend in youth cigar smoking, the health effects of cigar smoking, environmental impacts of tobacco farming, and addressing the tax parity issue.

Tobacco Use among High School Students by Demographic Characteristics



* Cigarettes, smokeless tobacco, and/or cigars

*** Sample size <100

Source: Youth Risk Behavior Survey, 2011

Hawaii’s Increasing Trend in Youth Cigar Smoking

- Although cigarette smoking is declining across the nation, **cigar smoking has been increasing for both adults and youth**. In Hawaii, **youth-cigar usage is astonishingly high-- 2nd highest among 37 states**. In fact, more than half (56.6%) of Hawaii’s youth tobacco users reported using cigars in the past 30 days. This percentage is slightly higher than the nation’s average. [Click here to view state highlights from CDC](#).



- What youth would not want to look “cool” amongst their peers toting and puffing on a cigar, like their famous adult role models? Beyoncé, Jay-Z, J-Lo and Michael Jordan have all been photographed and recorded using and promoting cigars, and those are just a few examples of the media normalization of cigar use.



- For the past 10 years, TFK has worked hard to educate Kauaʻi's youth on the dangers of cigarettes, resulting in 2012's very low cigarette-use at Waimea High School (6%) and Kapaa High School (7%). Lowering taxes on cigars could attract youth to try a different tobacco product. Cigars are a hazardous product, regardless of being sophisticated, and generally, products intended strictly for mature audiences pique youth interest. A lower, flat tax on cigars may **entice youth to illegally acquire cigars**, especially when compared to \$10-\$12 per pack of cigarettes in the stores.

Health Effects of Cigar Smoking

A tobacco product is still a tobacco product, whether it is organic or hand-constructed, or intended for a mature audience. Cigar smoke, like cigarette smoke, contains the same toxic and cancer-causing chemicals that are harmful to both smokers and non-smokers. Due to the larger size of cigars, the effects of nicotine and the hazards of second-hand smoke are increased.

Environmental Impacts of Tobacco Farming

Commercial tobacco farming involves the use of a range of herbicides, fungicides and insecticides to maximize crop production. On Kauaʻi, there is widespread public concern regarding the inappropriate use of agricultural chemicals and their effects on local families and the environment. We must protect Kauaʻi, and our State, from an industry that may not have concern for Hawaii's unique and fragile ecosystems.

This Bill Will Not Create Parity with Online Cigar Sales

Lowering cigar tax might boost sales of locally grown tobacco, but it will also boost the sales of other, imported, domestic and international cigar brands. When local businesses compete with mainland or internet sales prices, Hawaii-based products face difficulty in marketing a high-value product. However, the argument of internet sales with regards to bypassing state sales tax is an enforcement issue and not a valid reason to lower taxes on cancer-causing products.

After strong testimony in opposition from the Department of Health, Tobacco-Free Kauaʻi, the Coalition for a Tobacco-Free Hawaii, the American Cancer Society, and numerous organizations and individuals, and strong testimony in support of lowering taxes from the Kauaʻi Cigar Company, the Hawaii Cigar Association and numerous tobacco companies, retailers and individuals, the House Committee on Health and the House Committee on Economic Development & Business both agreed to defer the bill.

Thank you to all those who submitted testimony opposing SB188 and to Kauaʻi's Leadership Council, Rebecca Smith (Chair), Cara Sadira (Vice-Chair), Susan Oshiro-Taogoshi (Secretary) and to our past-chair, John Hunt, for working together to create Tobacco-Free Kauaʻi's testimony and pulling off this victory for the health and safety of the communities of Hawaii.

This bill will be alive again next year, and it is important for us to remain vigilant in defeating any decrease in taxes on tobacco products. If you would like to work on this issue, please contact CTFH Policy Director Annie Hollis at annie@tobaccofreehawaii.org; or, if you live on Kauaʻi, contact Valerie Saiki at vsaikei@tobaccofreehawaii.org.