



AMERICANS for TAX REFORM

May 7, 2009

The Honorable Corrine Ching
Hawaii State Capitol, Room 330
415 South Beretania Street
Honolulu, HI 96813

RE: Sustaining the Veto of All Tax Increases

Dear Representative Ching,

In order to uphold your Taxpayer Protection Pledge, I urge you to sustain the Governor's veto of those bills that raise taxes in Hawaii.

Americans for Tax Reform strongly applauds your initial vote against House Bill 1747, Senate Bill 1111, and House Bill 1741. As you know, Governor Lingle has committed to vetoing these deleterious bills. I trust that you will maintain your commitment to lower taxes in the likely event that the legislature attempts to override the Governor's vetoes.

However, the Governor may also veto House Bill 1175 and House Bill 895, raising taxes on tobacco. **Your initial vote in favor of these two bills was a violation of your Taxpayer Protection Pledge to Hawaiians. The pledge you made is to oppose and vote against any and all tax increases.**

As the legislature convenes to attempt to override the Governor's vetoes, this is your chance to right a wrong and show your commitment to Hawaii taxpayers. **Voting to override a veto of HB 1175 and HB 895, should they be reconsidered, would be a clear violation of your Pledge.**

These bills are tax hikes that unfairly and disproportionately target low-income smokers and small businesses in Hawaii. On average, smokers have a median income of a little more than \$36,000 about 30 percent less than non-smokers.

Additionally, evidence from nearly every state shows that time and time again these taxes do not raise the estimated revenue. New Jersey raised the cigarette tax just 17.5 cents and collected \$22 million below what they brought in before the tax hike. Arkansas recently passed a tax hike on cigarettes estimated to bring in \$86 million. Yet, just one month after passage the state projected it would bring \$14 million less than expected.

Thank you for your commitment to opposing tax increases in Hawaii. I encourage you to maintain your Taxpayer Protection Pledge for all tax increases reconsidered by the legislature. If you have any questions, please contact Kelly Cobb, state affairs manager, at (202) 785-0266.

Onward,

Grover Norquist

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