



April 20, 2009

Dear Cigar Supporter,

It appears that our month long aggressive campaign to fight the proposed massive tobacco tax hike on cigars in Hawaii is yielding positive results. We learned that in a special joint Senate and House finance committee meeting on Saturday, April 18th, law makers agreed on a non graduated, wholesale tobacco tax on cigars of 50%. We would like to thank everyone who submitted testimony, petitions, or contacted law makers in opposition to HB 895, which at one point sought to increase the tax on cigars to 105%! While we still disagree with the 10% tax increase, this bill now appears ready to be supported by the House, Senate, and ultimately the Governor, and the new law would commence on October 1, 2009.

Special thanks to Joe Hilton of Cigar-Cigar Etc., who has been on foot almost daily at the Capitol building, Dale Neff, proprietor of South Pacific Pipe and Cigar, and to the Cigar Association of America <http://www.cigarassociation.org/> for their support. The International Premium Cigar and Pipe Retailers Association <http://www.rtda.org/> was also instrumental with the data and testimony they submitted.

Over the last month of fighting this tax increase, many of us have realized the need for organizing a cigar association in Hawaii. This group would be pro-active in advocating for cigar rights in our State and partner with other cigar rights groups from around the country. While future law makers will inevitably be looking to raise taxes in every sector, this organization would work to lower the current tax rate on cigars.

This association would also play an important role in overseeing and advocating for how this tobacco tax revenue is spent in our Islands. It seems only right that any, and all, tobacco tax revenue should be spent on the promotion of healthy living, health care organizations, and tobacco prevention among youth. We all agree that none of this money should be sent to the Department of Revenue's general fund and away from the programs that this tax law claims to be supporting. See HB 1732, http://www.capitol.hawaii.gov/session2009/lists/measure_indiv.aspx?billtype=HB&billnumber=1732

We feel that since the majority of the cigar industry and its consumers support healthy living, this association could greatly enhance the public's perception of the cigar industry. Once created, we would have the ability to not only educate but garner the support of anti-tobacco lobbyists and lawmakers who ultimately create these new tax laws.

If your livelihood depends on cigars or you are simply a person who enjoys a premium hand rolled cigar and the right to purchase a cigar at a reasonable price, we encourage you to contact us and become a part of the Hawaii Cigar Association.

In the coming month we will be creating a web site for the Hawaii Cigar Association that will open access for supporting cigar rights in Hawaii. The site will also educate the public on the process, history, and culture behind creating fine hand rolled cigars. It will also help to dispel the notion that cigars are the product of "Big Tobacco", but rather the product of hard working, well educated, family owned, tax paying small business entrepreneurs and their dedicated employees.

Sincerely,

Les Drent
grower/president