Honolulu, Hawaii

Febg, 2006

RE: H.B. No. 1915 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 1915 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to reduce the financial strains faced by state residents by exempting from general excise tax assessments, amounts received for medical services, with certain exceptions.

The Healthcare Association of Hawaii and Klein Chiropractic Center supported this bill. The Department of Taxation submitted comments.

Your Committee finds that the cost of living in Hawaii is exceptionally high when compared to other states in the country. Your Committee realizes that healthcare is not a luxury or even an option and therefore should not be heavily taxed, especially when people are struggling to make ends meet. Due to the high cost of healthcare, state residents may forego early treatment only to return with a much more serious medical condition that will inevitably leave the State with the responsibility of paying for the treatment.

In an effort to reduce the taxable amounts on medical services while avoiding abuses, your Committee has amended this bill by prohibiting tax exemptions for elective cosmetic medical or dental surgery.

Technical, nonsubstantive changes were also made 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. 1915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1915, H.D. 1, and be referred to the Committee on Finance.

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

DENNIS A. ARAKAKI, Chair

State of Hawaii House of Representatives The Twenty-third Legislature

Record of Votes of the Committee on Health

Bill/Resolution No.: HB 1915	Date:	12/06/06			
Committee Referral: HLT, FIN	☐ The com	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended		Pass, with amendments			
☐ Hold ☐ Recommit					
HLT Members	Ayes	Ayes (WR)	Nays	Excused	
1. ARAKAKI, Dennis A. (C)					
2. GREEN, Josh, M.D. (VC)					
3. CABANILLA, Rida T.R.					
4. HALE, Heléne H.					
5. NISHIMOTO, Scott Y.	<i>'</i>				
6. SONSON, Alex M.					
7. HALFORD, Chris					
				48.67.47	
TOTAL	4			3	
The recommendation is:					
D. N., Adamad					
☐ Not Adopted					
If joint referral,co	mmittee acronym(did not suppo s)	rt recommendation	•	
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Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office					