

Honolulu, Hawaii

FEB 9, 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.

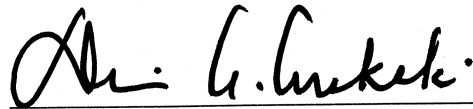


In an effort to reduce the taxable amounts on medical services while avoiding abuses, your Committee has amended this bill by prohibiting tax exemptions for elective cosmetic medical or dental surgery.

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



