

Honolulu, Hawaii

FEB 14, 2006

RE: H.B. No. 2106

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

Sir:

Your Committees on Health and Human Services, to which was referred H.B. No. 2106 entitled:

"A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX,"

beg leave to report as follows:

The purpose of this measure is to exempt the purchase of medical services and equipment from the general excise tax.

Your Committees received favorable testimony from the Hawaii Coalition of Care Home Administrators and the Healthcare Association of Hawaii. Your Committee also received testimony from the Department of Taxation and the Tax Foundation of Hawaii commenting on the measure.

Your Committees find that the rising cost of healthcare in Hawaii not only disproportionately impacts the poor, but also exceeds the inflation rate of the economy. To address this problem, this bill attempts to offset rising healthcare costs by exempting purchases of medical supplies and equipment from the general excise tax.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2106 and recommend that it pass Second Reading and be referred to the Committee on Finance.




Respectfully submitted on  
behalf of the members of the  
Committees on Health and Human  
Services,



---

ALEX M. SONSON, Chair



---

DENNIS A. ARAKAKI, Chair





