

Honolulu, Hawaii

Feb 9, 2006

RE: H.B. No. 2415  
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. 2415  
entitled:

"A BILL FOR AN ACT RELATING TO NET INCOME TAX CREDIT FOR  
FOOD, MEDICAL SERVICES, AND NONPRESCRIPTION DRUGS,"

begs leave to report as follows:

The purpose of this bill is to assist working families by  
establishing a refundable tax credit for their food, medical  
service, and nonprescription drug expenses.

The Office of the Governor, Department of Taxation (DOTAX),  
Department of Human Services, Hawaii Food Industry Association,  
Honolulu Community Action Program, Inc., and Hawaii Reserves,  
Inc., testified in support of this measure. The Tax Foundation of  
Hawaii offered comments.

Your Committee respectfully requests that DOTAX:

- (1) Develop a plan to inform the public, such as through a  
public notice campaign, of the tax credit, including the  
procedure required to claim it; and
- (2) Create an "automatic escalator" to allow the amount of  
the tax credit to increase in conjunction with the cost  
of living.




Your Committee has amended this bill by:

- (1) Requiring DOTAX to submit to the Legislature an annual report of the profiles of individuals claiming the tax credit;
- (2) Establishing a sunset date of July 1, 2010, for the tax credit; and
- (3) Making technical, nonsubstantive amendments 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. 2415, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2415, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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



DENNIS A. ARAKAKI, Chair



