

Honolulu, Hawaii

**Feb 17**, 2006

RE: H.B. No. 3129

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 3129 entitled:

"A BILL FOR AN ACT RELATING TO LONG-TERM CARE,"

begs leave to report as follows:

The purpose of this bill is to encourage taxpayers to purchase long-term care insurance by:

- (1) Providing individual taxpayers and employers with a tax credit for long-term care insurance premiums; and
- (2) Requiring the Department of Taxation (DOTAX), in cooperation with the Department of Commerce and Consumer Affairs, to report annually to the Legislature on the number of taxpayers claiming the credits and the cost of the credits to the State.

The Maui County Office On Aging, American Council of Life Insurers, Healthcare Association of Hawaii, Chamber of Commerce of Hawaii, National Association of Insurance and Financial Advisors, and State Farm Mutual Automobile Insurance Company supported this bill. DOTAX supported the intent of this measure. The Tax Foundation of Hawaii offered comments on this bill.

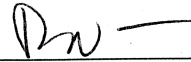
Your Committee finds that long-term care has become increasingly expensive. This bill helps alleviate the financial strain put on middle-income households by providing some tax



relief to these individuals, and incentives for employers to purchase long-term care insurance for their employees.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3129 and recommends that it be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ROBERT N. HERKES, Chair



