

STAND. COM. REP. NO.

2570

Honolulu, Hawaii

FCB 17 , 2006

RE: S.B. No. 2508
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 2508
entitled:

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

begs leave to report as follows:

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

Your Committee received testimony in support of this measure
from the Healthcare Association of Hawaii, the Hawaii Health
Systems Corporation, and the Hawaii Coalition of Care Home
Administrators. Your Committee received testimony in opposition
to the measure from the Department of Taxation and the Tax
Foundation of Hawaii.

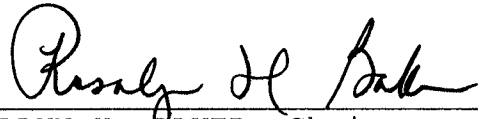
Your Committee finds that the general excise tax is assessed
for the privilege of doing business in Hawaii. This includes the
business of providing necessary health care. Your Committee
further finds that this tax affects the elderly and disabled
disproportionately because health care is a basic necessity for
these individuals and the added expense of the tax is passed to
them.

Your Committee has amended this measure by changing the
effective date from "July 1, 2007" to "July 1, 2010," to encourage
continued discussion.



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 S.B. No. 2508, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2508, S.D. 1, and be referred to the Committee on Ways and Means.

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



ROSALYN H. BAKER, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Health
(Bills and Resolutions)

Measure:* <i>SB 2508</i>	Committee Referral: <i>HTH, WAM</i>	Date: <i>2/13/06</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
BAKER, Rosalyn H. (C)	✓			
CHUN OAKLAND, Suzanne (VC)	✓			
HANABUSA, Colleen				✓
TSUTSUI, Shan S.	✓			
WHALEN, Paul	✓			
TOTAL	<i>4</i>	<i>0</i>	<i>0</i>	<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Suzanne Chun Oakland</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Do not list more than one measure per Record of Votes.