

STAND. COM. REP. NO.

745

Honolulu, Hawaii

Feb 16, 2007

RE: H.B. No. 1550

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 1550
entitled:

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

begs leave to report as follows:

The purpose of this bill is to assist private hospitals in providing care to Medicaid and Medicare patients by exempting them from the general excise tax, if 60 percent or more of their patient population consists of Medicaid and Medicare patients. This bill also requires the hospital receiving the benefit to submit verification to the Department of Taxation (DOTAX) and requires DOTAX to adopt rules.

The Hawaii Medical Center, Community Work Day Program, and an individual testified in support of this bill. DOTAX and the Tax Foundation of Hawaii submitted comments.

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. 1550 and recommends that it pass Second Reading and be referred to the Committee on Finance.

HB1550 HSCR HLT HMS 2007-2395



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



JOSHUA B. GREEN, M.D., Chair



