

STAND. COM. REP. NO.

2942

Honolulu, Hawaii

MAR 14 2008

RE: H.B. No. 2306
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Health, to which was referred H.B.
No. 2306, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAXATION,"

begs leave to report as follows:

The purpose of this measure is to continue to ensure the provision of high-quality, low-cost health care services to members of the uniformed services and their families in Hawaii by clarifying that amounts received by a managed care support contractor of the TRICARE program as reimbursements of costs or advances made by the contractor are exempt from the Hawaii general excise tax.

Your Committee received testimony in support of this measure from Hawaii Medical Service Association and the TriWest Healthcare Alliance Inc. The Department of Taxation and Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that in order for this measure to accurately reflect the interpretation of taxes due, a retroactive effective date is necessary to ensure that contractors of the TRICARE program are not penalized.

Accordingly, your Committee has amended this measure by:

- (1) Changing the effective date to be retroactive to January 1, 2005, upon its approval; and

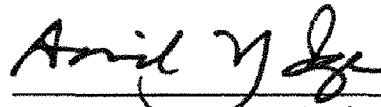
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- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 2306, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2306, H.D. 2, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

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



DAVID Y. IGE, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:* HB 230 (PHD2)	Committee Referral: HTH, EDT, WAM	Date: 3/13/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <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	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	/			
FUKUNAGA, Carol (VC)				/
BAKER, Rosalyn H.	/			
MENOR, Ron				/
WHALEN, Paul	/			
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes