

STAND. COM. REP. NO. 1659

Honolulu, Hawaii

Aug 19, 2009

RE: S.B. No. 427
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 427
entitled:

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

begs leave to report as follows:

The purpose of this bill is to clarify that amounts received
by a managed care support contractor for actual costs or advances
to third party health care providers made pursuant to a contract
for the administration of the federal TRICARE program are exempt
from the general excise tax.

TriWest Healthcare Alliance Inc., The Chamber of Commerce of
Hawaii, and Hawaii Medical Service Association supported this
bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to
encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity,
consistency, and style.

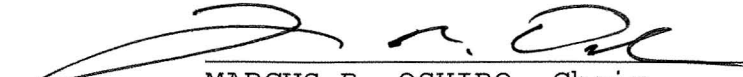
As affirmed by the record of votes of the members of your
Committee on Finance that is attached to this report, your
Committee is in accord with the intent and purpose of S.B. No.

SB427 HD1 HSCR FIN HMS 2009-3583



427, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 427, H.D. 1.

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


MARCUS R. OSHIRO, Chair



