

Honolulu, Hawaii

April 5, 2012

RE: S.B. No. 2101  
S.D. 1  
H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2101, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE TRICARE PROGRAM,"

begs leave to report as follows:

The purpose of this measure, as received, is to make permanent the general excise tax exemption on funds received by a managed care support contractor of the TRICARE program for the actual cost or advancement to third-party health care providers pursuant to a contract with the United States.

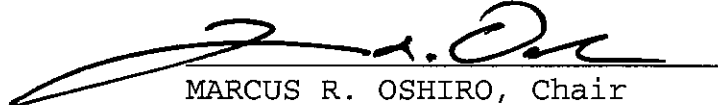
The Department of Taxation; The Chamber of Commerce of Hawaii; Military Officers Association of America, Hawaii Chapter; and TriWest Healthcare Alliance Inc., testified in support of this measure. The Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by deleting its contents and replacing it with the contents of H.B. No. 1723, H.D. 1, which extends to December 31, 2015, rather than make permanent, the same general excise tax exemption relating to the TRICARE program.



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. 2101, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2101, S.D. 1, H.D. 2.

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

  
MARCUS R. OSHIRO, Chair



